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ABSTRACT

Researchers compiled case studies describing 15 successful rural employment and job training programs in 10 states, to share the information with planners and practitioners and with state agencies in Virginia that were responsible for enhancing local job training and employment opportunities. Researchers, who gathered information about the case studies during site visits or telephone interviews, noted that the programs combined job training with at least one of the following characteristics: successful placement, job creation, job upgrading, or service to difficult-to-serve populations. Of the eight programs visited and described in detail, three featured non-profit corporations (of which two were economic development corporations), four featured the roles of 2- and 4-year higher education institutions in job training and creation, and one featured the role of the community college and local government in job creation. The other seven programs, described in less detail, featured the roles of job placement in rural employment and training, a community-based organization, an Indian reservation, a county government consortium, a large non-profit corporation, and a relationship between state government and a manufacturing cooperative. The detailed reports describe the programs' problems and goals, solutions, training, implementation, outcomes, setting, and contacts. The other programs are summarized. (SB)

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Rural Success:
Case Studies of Successful Employment and Training Programs in the United States

Anthony J. DeLellis
Editor and
Primary Research Consultant

Jim Binder, Joseph McGreal, Arneada Bray Russell
(Contributing Field Researchers)

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ACKNOWLEDGEMENTS

The task of acknowledging the contributions of the scores of people and institutions to which this project is indebted is massive, and no attempt can possibly do justice to the efforts of all the contributors; yet, beginning with those closest to the project, I wish to thank Susan B. Crow for her major and consistently excellent contributions as research assistant, literary editor, administrative assistant and typist for most of the report. The work of the contributing field researchers, Jim Binder, Joseph W. McGreal and Arneada Bray Russell is greatly appreciated. Their efforts at gathering information and compiling it into brief reports was a difficult task at best. I especially appreciate their patience and understanding as I took pencil and scissors to their already fine reports so as to accommodate them to a common format and scale. In this regard, they may be congratulated for their contributions but not held responsible for my editing, nor my interpretations of the follow-up conversations I held with their interview contacts in the field. Also, I wish to thank Norman Auldridge for his diligence in obtaining demographic information from U.S. Census and other sources. Further, I wish to express my gratitude to Betty Akins, Financial Advisor to the Center for Public Affairs for keeping the project in the black and to Shevaun McDarby for assuming part of the typing burden. Thanks are extended to Richard Morrison for his counsel at the beginning of the project, and to Ralph Hambrick for his advice throughout. Thanks are extended also to Carolyn Clay Oliver for her literary editing, and to Susan Brewster for her assistance and patience as the contract officer representing the Governor's Employment and Training Division

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Anthony J. DeLellis
Editor

INTRODUCTION

This report describes fifteen successful rural employment and training programs located in ten of the United States. Eight of the programs were visited by researchers, and are presented in substantial detail. The seven other program descriptions are the result of telephone interviews only. The latter are necessarily less detailed, but provide insight into the nature of the programs.

Research Objectives

The research had two major objectives. They were to obtain information about successful, rural, employment and training programs which might be relevant to Virginia and to share the information with others. The intent of this report is to tell the story of those who were interviewed, to describe their problems and strategies, and to describe their success.

Selection Criteria and Case Diversity

One observation about the collection of programs in question is that there are no two alike. Someone during the course of the research described them as being "apples and oranges." A brief review of this report, however, will likely lead to the conclusion that it may be more accurate to describe them as apples, elephants, and pickup trucks. They are varied in their surroundings, intentions, funding, methods, organizational affiliations, legal institutional status, scale, and populations served. The report discusses programs which feature community based organizations, cooperatives, organized labor, private enterprise, women's advocacy, community colleges and technical institutes, four-year colleges, and an Indian reservation. They range from jurisdictions at the town level to multistate regions, and are funded by a broad range of federal, state and private foundation money, as well as by the sale of goods and services locally, nationally and abroad. In some cases, training is the reason for the existence of the program, while in many cases, training is but one function of the program and may be very brief or informal.

Throughout the course of the research, there was a recognition that rural job training in the absence of rural jobs was of limited value. Therefore, the research attempted to locate programs which combined job training with at least one of the following: successful placement, job creation, job upgrading, or service to difficult to serve populations (e.g., women in non-traditional occupations or farm workers). All of the programs discussed have at least one of these qualities in combination with job training.

Case Format

There was an attempt to present the eight detailed cases with a similar format. This was done to the extent possible; however, the elements of some of the programs were such that to force them into an arbitrary mold for the sake of reporting convenience would have resulted in a distorted view. Therefore, the reader will note moderate variations in format among the eight detailed cases. Further, it may be noted that the level of detail in comparable sections of the respective cases is not constant. For example, one program has a lengthy and elaborate goal statement, while another has just a few lines. This is another indicator of program diversity, and little attempt was made to homogenize such variations in reporting.

The seven less detailed cases, those studied only by telephone, presented a similar problem. It was resolved by highlighting those program elements which appeared to produce the clearest picture in the least space.

Program Environment

An observation noted during the course of the research was that practitioners who use case studies often wish to know a great deal about the environment in which cases exist. This enables them to interpret what they read and to consider, more efficiently, whether or not they wish to attempt to adapt a program or some portion of it to their own situations. Therefore, considerable space is given in the eight detailed reports to describing the settings in which the programs actually function. For the most part, such information was obtained from those interviewed; however, the observations of some were augmented by the use of data from the U.S. Census Bureau and other sources. Where it was considered appropriate, substantial quantitative detail was provided, while in other cases, particularly those with exceptionally vast service areas, a more narrative description of the setting was employed.

Audience

There are a number of ideas in the cases studied which may be of benefit to planners and practitioners in a variety of rural employment and training settings, including those in local education agencies, community colleges, Service Delivery Areas under the Job Training Partnership Act, community based organizations and others. The report is addressed to these and to state agencies responsible for enhancing job training and/or employment opportunities at the local level.

Report Format

Following this section is a description of the methodology employed in this research. The major portion of the document is devoted to discussion of the eight program sites visited by the researchers. This is followed by summaries of telephone interviews held with the seven additional projects. Following these are the editor's closing comments.

METHODOLOGY

The time constraints and the limited budget of this research demanded a methodology which was at once quickly implemented, inexpensive, and focused on the goals of the research, to locate and describe successful rural employment and training programs. Because there were no presumed nor favored programs to be considered, and because no particular type of program was held as innately more valuable than another, the search for programs was necessarily broad. This and the other factors noted above precluded massive national mailings of questionnaires and precluded in-depth examination of any particular series of programs established by, for example, the U.S. Department of Agriculture or the U.S. Department of Labor. Rather, the research required that many avenues be pursued simultaneously. Therefore, it was decided to concentrate initial efforts on identifying the various rural networks. This was done in order to establish contact with a broad range of credible organizations and individual experts in the field.

Selected institutions and individuals identified in the rural networks were contacted by telephone and were asked the location of successful, rural employment and training projects which met the criteria described in the introduction of this report. In addition, they were asked the location of other institutions and individuals who might have expert opinions on the matter. Approximately 60 such individuals and organizations were so contacted.

Numerous follow-up telephone calls were made in tracking down the valid leads provided through the process described above. Ultimately, 20 programs were located, and telephone interviews were conducted with spokespersons from each. The brief reports resulting from these interviews were compiled and, on July 5, 1983, submitted for consideration to the Virginia Rural Development and Capacity Building Council.

Members of the Council were asked to rate each of the programs so as to aid in the establishment of priorities for visiting on-site. In making the final determination as to which programs should be visited, consideration was given to the avoidance of visiting similar programs and to the ratings provided by the Virginia Rural Development and Capacity Building Council. There were several additional factors in the decision regarding which programs to visit. This is noted so that there will be no misunderstanding about why some of the programs on which reports were written were the result of on-site visits while others were the result of only brief telephone calls. Specifically, there is no suggestion that the programs reported in detail were somehow superior to those reported in less detail. Further, the ratings provided by the Virginia Rural Development and Capacity Building Council were not to be a function of their perception of program superiority. Instead, they were asked to rate as a function of their belief regarding the importance to Virginians of learning more about each program. Finally, the ratings were moderated by an interpretation which recognized the need to obtain balance in the type of programs visited, the limit set on the number of programs visited as a function of the availability of travel funds, and the financially induced need to reduce the total number of programs studied to fewer than twenty.

The methodology employed throughout this research was designed to locate and obtain information on programs of excellence, ones which combined the elements of success noted previously. There was never an intent to locate the "fifteen best" programs in the United States. With the wide variety of program types under consideration, the goal was to locate successful projects and share their good ideas.

Interview guides were developed for both telephone and on-site interviews. This was done in order to enhance consistency among those who were conducting interviews and writing reports. It was recognized, however, that no single format could embrace all of the major and subtle variations among the programs identified, and that researchers would necessarily have to make modifications in their reports.

After the programs to be visited were selected, visits were made by the interviewers to eight sites. These visits were generally for one day each with one interviewer (field researcher) at each site.

When certain information (i.e., U.S. Census information) was not available from those being interviewed, the Center for Public Affairs augmented the on-site report with the appropriate data. This was done in order to enhance the descriptions of the settings in which the successful programs operated. In addition, some field researchers made use of brochures and other documents provided by the people interviewed.

After the reports of the on-site visits were written, each report was mailed to the primary contact person at the site. Each was asked to review the report on his/her program and comment informally. Such comments were considered in revising the reports. The comments served as a source of clarifying insight and, sometimes, as a source of additional information.

Program reports in this document which resulted only from telephone interviews were not mailed to the primary contact persons for comment. They were read by telephone and comments were requested. These comments were considered in report revisions.

CASE REPORTS RESULTING FROM SITE VISITS

These reports were compiled as a result of visits to eight programs located in Kentucky, Virginia, Illinois, North Carolina, Ohio, Florida, and California. The first three cases in this section feature non-profit corporations, two of which are economic development corporations. The next four cases feature the roles of two year and four year institutions of higher education in a variety of job training and job creating functions, some of which are part of statewide efforts and others of which are local in origin. The final case presented in this section is one which, while discussing the role of a community college, is presented with a greater focus on the town government's efforts at job creation.

The Appalshop
Whitesburg, Kentucky

Case Report by
Anthony J. DeLellis
Field Researcher

Synopsis

The Appalshop is a media and arts cooperative. Located in Whitesburg, Kentucky (main facility) and Norton, Virginia (branch office), it is composed of five major components:

1. Appalshop Films
2. June Appal Recordings
3. Roadside Theater
4. Mountain Photography
5. Headwaters Video

The Appalshop serves three counties in Kentucky and one in Virginia (Letcher, Perry, and Knott, Kentucky and Wise, Virginia). This cooperative is designed to utilize local resources in the form of the talents and technical skills of the residents of the area. It has been operational since 1969 and currently employs 34 full-time people and 20 part-time people, 90% of whom were trained in-house. This non-profit corporation has an operating budget of over $1,000,000 per year, and markets its products locally, regionally, nationally and internationally. Its revenue is generated from commercial sales, from individual donations, from private foundations, and from federal, state and county governments (state governments are West Virginia, Tennessee, North Carolina, Virginia and Kentucky). It is estimated that in 1983, 12 federal agencies will provide a total of approximately 35 grants; the five state governments will provide approximately 20 grants; businesses and private foundations will provide between 20 and 25 gifts; and numerous individuals will provide gifts.

Since 1970, the cooperative has had financial relationships with many agencies. In so doing, Appalshop has produced films, videotapes, record albums, numerous theater productions, books of poetry and photography, and a weekly television show. Further, it has provided educational services to institutions of higher education in the form of formal classes and curriculum materials production, and has offered workshops to a broad range of audiences on topics relevant to the arts and management. In addition to revenue from grants and gifts, the Appalshop estimates 1983 gross sales to be as follows: from documentary films and videotapes, $60,000; from recordings of mountain music, $180,000; from theater group performances, between $40,000 and $50,000.

The Problem and Establishment of Goals

The problem which stimulated the development of the Appalshop was rather simple. Approximately 14 years ago, several young people, approximately 18 years of age, were seeking ways to make a living in the Appalachian Mountain area without becoming coal miners. An individual supported by a grant from the Office of Economic Opportunity (OEO) went to Whitesburg and established the Appalachian Film Workshop. A number of young people became involved in this training workshop in film and video production. At the end of the training period, many of the young people involved decided to pursue filmmaking as a career, and to do so in Appalachia. Thus, the problem became one of how to develop their careers in the absence of support systems.

Job creation, long-term, was the goal for the young people who started the Appalshop. It was their intention to create employment situations which would allow them to remain in their home area and not be dependent in any way upon the coal mining industry.

Solutions/Strategies

The general strategy employed by Appalshop was to develop the capacity to provide media services to organizations, individuals and audiences throughout the world. This has been accomplished through the creation of a non-profit corporation and the selective marketing and expanding of services (corporation status was established in both Kentucky and Virginia). In addition to these efforts there was the purchase and renovation of a major production facility in Whitesburg, Kentucky.

Training

There was no master plan for training. Rather, training was a function of production as it continues to be at this time. That is, when need arose, workers at the Appalshop, many of whom played dual roles as managers and as members of the Board of Directors, obtained necessary training. Training tended to have four general characters:

1) artist-in-residence
2) technical assistance
3) trial and error on the job
4) participation in conferences and external short-term workshops

Higher education institutions were not generally employed in that it was stated that curriculum tended to be too broad for the immediate purposes of production at the Appalshop. It was estimated that approximately 150 people had been trainees/employees at the Appalshop since it began. No specific records of success related to training were kept by the Appalshop; however, it was stated that of the 54 full-time and part-time people currently associated with the company, only four had not received at least some aspect of their training in-house. Further, it was stated that many former employees/trainees were successfully employed in various media-related positions around the United States. Also, it was noted that some individuals preferred to return to or remain in the coal mining industry, a highly lucrative temptation when business is good.

It is difficult, in the case of the Appalshop, to separate its employment, governance, training, and production functions. This is because one may, simultaneously, have the status of employer (member of the Board of Directors), employee, trainee, and producer. Thus, the history of training at the Appalshop is the history of individuals creating an institutional base and then learning through various methods how to operate from it.

Short-term training was provided, by the Appalshop, to CETA clients. Many of those individuals were subsequently hired by the Appalshop and paid from funds other than CETA. It was speculated, however, that the provision of short-term training to class size groups would not continue in the future. Rather, production related apprenticeships would be the norm.

Critical Steps in Implementing Solutions and Strategies

The first grant, the one from OEO, was one of ten provided to localities throughout the United States. They were for the purpose of skill development of minority and other disenfranchised youth.

This was followed by a grant from the National Endowment for the Humanities. It resulted in the creation of the Appalachian Educational Media Project. After approximately one year of the grant, the company obtained the status of a non-profit coorporation and, thus, became eligible for funding from a variety of sources. At the time it obtained its new status, 1972, it changed its name to the Appalshop. It might be noted that when the several years of the grant from the Office of Economic Opportunity ended for the Appalshop and nine other similar projects throughout the United States, only the Appalshop and one of the other projects continued to operate. It was an urban counterpart in Chicago which had also incorporated and diversified its funding base. Regarding the diversity of funding, it may not be a milestone in development nearly as much as it is a principle of operation; however, a rule of thumb for the Appalshop is not to allow any one single source of revenue to equal more than 10 percent of the annual revenue of the shop. It is believed that this principle has prevented boom and bust behavior.

As stated previously, filmmaking was the initial service provided by the Appalshop. The second development was the creation of June Appal Records. A grant was obtained for the building of a studio and, since the development of June Appal Records, approximately 37 long-playing albums of mountain music have been produced and sold. There are many notable elements to discuss about June Appal Records, only two of which are that the current director began as its shipping clerk and that the major single market for these record albums produced in Kentucky is the Bay Area of San Francisco. These observations were made to illustrate that there is no barrier to opportunity within the Appalshop, that one may literally enter as an unskilled shipping clerk and ascend to the level of record company executive. Further, the distant location of the market for June Appal Records was noted because it illustrates a reversal in the flow of money in the history of this Appalachian region.

As plans were being developed for the creation of June Appal Records, the filmmaking was becoming augmented with television production. Currently, Appalshop produces a weekly TV show and has a library with scores of documentary and training films and video tapes which it has produced for specific audiences.

Expansion eventually included the capacity for photography and print media, resulting in a variety of enterprises. Among them are the publishing of books of photography and poetry, as well as training individuals, including children, in the use of photographic equipment. (It was stated that the results of a workshop for children were taken on tour by the Smithsonian Institute for two years. This is noted parenthetically as a measure of the quality of work being produced by the shop.)

The creation of the Roadside Theatre resulted in a traveling theatre group which performs in various parts of the United States. It was reported that Roadside Theater, a professional touring company, has received favorable reviews from the Atlanta Journal, New York Times, San Francisco Chronicle and others.

Another major milestone in the development of Appalshop was the purchase and renovation of a major 13,000 square foot facility. Funds for this undertaking came from a variety of sources. Approximately half resulted from grants from the Economic Development Administration, Kresge Foundation, the Appalachian Regional Commission, the National Endowment for the Arts and others. The other half of the funding was borrowed at what were described as favorable rates of interest. In this regard, the Local Initiatives Support Corporation was instrumental in developing a financial package which was attractive to a local commercial bank and to the National Rural Development and Finance Corporation.

The need to create a financial package for the purpose of purchasing and renovating a production facility was what prompted the Appalshop to develop its first five year plan. Previous to that time, developments had taken place more as a result of individual initiative than as a function of an institutional plan. Therefore, the milestones presented above were actually an account of historical events rather than a description of a planned sequence of events. Further, events were often overlapping or intermittent, so it is difficult to present a discrete chronological list.

Outcomes

As stated previously, the creation of employment was the goal of those who developed the Appalshop. This required the creation of an institutional base and the learning of media and management skills. The goals were not stated more specifically than this. Therefore, the exact extent of success cannot be precisely measured. It may be apparent however, that if 14 years after the goals were established, a highly successful multi-media and arts corporations exists and employs

54 people full-time and part-time, some degree of success was attained. Training figures were not kept by this organization in a comprehensive and detailed manner because, except at the outset, production, not training, was the focus. Nevertheless, some measure of the success of training is evident in the apparent reputation of the Appalshop and its components. Further, some illustrative figures were given. For example, over a period of six months, there were short term training programs offered in television and film production. During that period, the placement rate was given at 96 to 97 percent. Also the annual operating budget is approximately $1,000,000, a figure attesting to the apparent development of production, marketing, and management skills. Finally, as regards the impact of the Appalshop on the immediate community, it was speculated that the Appalshop is one of the three or four largest employers in Letcher County. The largest employers are coal mining and government.

There are so many avenues traveled simultaneously by the Appalshop that it is difficult to describe briefly all of the outcomes of the strategy pursued by the corporation. There has been some allusion to the level of quality and the breadth of the market for Appalshop products; however, an additional series of comments may be warranted here. Among the artists-in-residence who provided training to staff of the Appalshop was Arthur Penn, director of "Little Big Man' and "Bonnie and Clyde;" Robin and Linda Williams, performers who record on June Appal Records, appear regularly on the nationally syndicated radio show, "Prairie Home Companion;" a portion of a video production of the Appalshop appeared, in August, 1983, on the national network TV show, "Good Morning

America;" Thames TV of Great Britain has been a purchaser of films; and films frequently appear on other TV networks in Europe.

Projections for the Future

There are approximately 34 people who work full-time for the Appalshop and an additional 20 people who work part-time. Of the 34 full-time employees, only ten are regular full-time employees. The others are employed on a full-time basis, but only have employment when there is a specific contract obligation between Appalshop and an organization sponsoring or purchasing services. Thus, individuals who have maintained permanent relationship on a more or less full-time basis for up to 14 years may find themselves, from time to time, on involuntary leave (laid off). A similar status exists for those who have maintained part-time permanent relationships.

Thus, a major, future undertaking is the establishment of an endowment fund by the Appalshop. The purpose of the fund would be, among others, to enable Appalshop employees to maintain full-time employment during those periods in which no project funds are specifically available for their salaries. The endowment would enable Appalshop employees to avoid layoff so that they may pursue project development or marketing or other institutionally related endeavors.

The second major project for the future may be, in cooperation with a consortium of institutions of higher education, the establishment and operation of a radio station. It is anticipated that this will constitute a major milestone in the expansion of services provided by the Appalshop. Further, it is expected to provide a substantial number of full-time and part-time jobs.

Approximately one-third of the facility in Whitesburg, Kentucky is set aside for public use. Thus far, that use has been regular but not constant. It is a goal of the Appalshop to expand the use of the public portion of its facility to the extent that is is used on a regular basis by public schools, civic organizations, theater goers, movie goers, arts workshop participants, and others wishing conference space.

Advice to Those Facing Similar Problems

Those desiring to establish cooperatives were admonished to expand only in those areas in which there was an identified individual who would provide enthusiastic leadership. It was emphasized that there was a tendency for collective, institutional initiatives to falter in the absence of such an individual. It was stated further that diversification of the economic base was very important. In this regard, it was stated that developers should think on a smaller scale than may have been done in the past. It was suggested that developers think in terms of $100,000 investments rather than $1,000,000 investments and of dozens of jobs rather than hundreds of jobs.

The Setting

The area served by the cooperative can be found on both the eastern and western sides of the Appalachian Mountain chain. The major facility, located in Whitesburg, Kentucky, is in the heart of a mountainous area with numerous small rivers, streams, and hollers. The government jurisdictions in the immediate area are county and town governments, with dominance in the influence of the former. Both town and county governments have elected executives and councils.

Some important data on the four counties may be seen below.

	Knott Co. KY	Letcher Co. KY	Perry Co. KY	Wise Co. VA
Total Pop.	17,940[1]	30,687[1]	33,763[1]	43,863[4]
% Minority Pop.	1.6%[1]	1.5%[1]	2.8%[1]	2%[4]
% High School Grads. 25 Yrs. and Older	32.6%[2]	37.9%[2]	37.3%[2]	40.8%[4]
% Rural Pop.	100%[2]	89.3%[2]	84%[2]	74.3%[4]
Per Capita Income	4,335[2]	4,546[2]	4,917[2]	5,725[4]
% Acres of Farm Land	1.9%[3]	2.1%[3]	2.6%[3]	4.9%[3]
Unemployment Rate	15.1%[2]	11.9%[2]	13.4%[2]	18%[4]

It should be noted that the unemployment rates above are based on the 1980 Census. Due to massive layoffs in the coal industry since then, many workers have lost their jobs and are not reflected in the Census figures. Thus, it has been estimated that some areas of the coal fields are currently experiencing up to 50% unemployment.

The economy of the region is generally based in coal mining and related industries. Historically, farming, particularly in the Kentucky counties, has been of the subsistence type. Currently, farming, even at the subsistence level, does not constitute a major industry in the area. In Wise County, Virginia, on the other hand, farming, although sharing dominance with coal mining, is a more substantial industry than in the Kentucky counties. In Letcher County, Kentucky, the location of the major facility of the Appalshop, approximately one-third of all the working adults are employed in the coal mining industry directly. Thus, the region is very dependent upon one industry for its economic well-being. In illustration, it was noted that, with the exception of county government and the coal mining industry, the Appalshop is one of the major employers in the county, ranking among the top three or four in terms of numbers of people employed. Further, because of its dependence on numerous external sources of revenue which originate, for the most part, far beyond the confines of the region, the Appalshop is one of the few industries, if not the only one, in the area not dependent on the well-being of the coal industry.

The tax base of the area tends to be industrial and residential. It was stated that the industrial portion of the tax base may be undervalued in that rates for industrial property tend to be lower than for residential property, and assessment of value of minerals in the ground may be understated.

The infrastructure of the area, particularly on the Kentucky side, tends to be weak. Water and sewage systems are small and independent from one another, where they exist. Many parts of the region depend upon wells and septic tanks. Roads tend to be small and winding, particularly in the most mountainous regions. The closest airport of commercial value is the Tri-Cities Airport in Tennessee, approximately 100 miles from Whitesburg. Rivers were, at one time, used in logging operations during periods of spring rains; however, they cannot be considered major trade thoroughfares. Railroads serve the coal industry throughout the region. The strategy of creating infrastructure conducive to industrial development other than coal mining was attempted in Whitesburg several years ago when, near the edge of town, approximately 12 acres were set aside as an industrial park. Water, sewage, curbs and gutters were put in place, and an attempt was made to lure industry into locating on the site. To date, no industry has located there.

The general strengths of the locality were reported as being the skills and attitudes of the workforce. It was noted that individuals who work in the coal mines and in coal mining related industries are generally highly skilled. This, because the coal mining industry is no longer purely a matter of handling picks and shovels, but is an industry which utilizes high levels of technology. Thus, since the vast majority of the people in the area are employed in the coal mining industry, it is not surprising that they may be highly skilled.

The general weaknesses in the area include a lack of adequate water and sewage facilities (Whitesburg was noted as an exception in this regard); a public school system which operates on low budgets and which, in the case of Whitesburg, has recently undergone exceptional catastrophe in the form of the loss of two major facilities, one by fire and the other by tornado; the wealth of the county (mineral rights) tends to be owned by persons residing outside of the county; roads are difficult to maintain where the terrain allows them to be built at all; agriculture, providing for subsistence at its previous peak levels, no longer is a viable industry; coal mining which, in major part, replaced subsistence farming, tends to be boom or bust; and finally, there tends to be a general lack of amenities in the area (e.g., there is no commercial movie theater in Letcher County).

Interagency cooperation was described by the Appalshop spokesperson as involving "literally hundreds of agencies." It was explained that the Appalshop is a service provider to numerous agencies and, in turn, receives services and funding from numerous agencies and foundations. Local agencies have played the most minor role in the development of the Appalshop, if one traces development as a function of growth and revenue generation. State, but particularly federal agencies and national foundations, have played the major role in the development of the Appalshop. This has been done through grants and contracts largely, but also through the provision of technical assistance to the Appalshop.

Contacts

The person below was interviewed for this research:

Martin Newell (one of the original youngsters, former Board
Member, current employee, without permanent title)
The Appalshop
Box 743
306 Madison Street
Whitesburg, Kentucky 41858

Summary

This project grew, over a period of 14 years, from one which had no full-time employees and only one contract, to one which has 32 intermittent full-time employees, an annual operating budget of $1,000,000 and a realistic expectation for the development of a radio station and an endowment fund. In-house training through the use of a variety of staff development strategies has been the norm, and job expansion opportunities have been available to employees. Diversity in funding, excellent products and services, and aggressive marketing appear to have transformed what was once a minor training organization to what is now a major employer in the area.

Notes

[1] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population, Volume 1, Characteristics of the Population, Chapter B General Population Characteristics Part 19 Kentucky (Washington, D.C.: U.S. Government Printing Office) August 1982.

[2] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population and Housing, Supplementary Report. Advance Estimates of Social, Economic, and Housing Characteristics, Part 19 Kentucky. (Washington, D.C.: U.S. Government Printing Office) Feb. 1983.

[3] U.S. Department of Commerce, Bureau of the Census. County and City Data Book 1977. A Statistical Abstract Supplement (Washington, D.C.: U.S. Government Printing Office) May 1978.

[4] Richard D. Morrison, Rural Virginia: A Data Based Overview For Human Resource Planners (Richmond, VA.: The Center for Public Affairs, Virginia Commonwealth University) May 1983.

Note: The percents of minority population and rural population for the three Kentucky counties were derived.

Central Illinois Economic Development Corporation
Lincoln, Illinois

Case Report by
Arneada Bray Russell
Field Researcher

Synopsis

Two cottage industries projects have been started under the recently formulated Economic Development Division of the Central Illinois Economic Development Corporation (CIEDC). The first is the Flexigard Film and Window Kit Project. This project was based on an exclusive national contract with the 3M Company. The window kits were assembled by both subsidized and unsubsidized employees. Two Green Thumb (subsidized) employees were the people who cut the film according to specifications related to each order.

The second project, begun in March, 1983, is the Smock and Apron Sewing Project. Of the two, this project is currently the more profitable. The Smock and Apron Sewing Project grew out of a contract with the Illinois Green Thumb program. Illinois Green Thumb wanted smocks and aprons made for their Foster Grandparents program. (Green Thumb is a national program of subsidized employment for rural senior citizens.)

Four Green Thumb people cut the material according to standard smock and apron patterns. Centrally located, they sew most of the smocks and aprons; however, eight to twelve subcontractors sew garments in their homes. A patch with the National Green Thumb insignia is stitched on and the finished smocks and aprons are sold to various state Green Thumb programs for their clients and employees. The rapid growth of this sewing project has outstripped the Flexigard Film Project by far.

All of the employees involved in these two projects are residents of the five central Illinois counties which make up the service area of the Central Illinois Economic Development Corporation (CIEDC). It is CIEDC which oversees the projects and which markets the products described above.

Description of the Corporation

The Central Illinois Economic Development Corporation is a community action agency which was started in 1966. The agency serves five counties in Central Illinois - DeWitt, Logan, Mason, Menard and Piatt. It is a non-profit corporation which is governed by a 45 member Board of Directors. The board is composed of members from all five counties, one-third of whom are local government officials, one-third private sector representatives and one-third representatives from the client community of each county. Each county has the same number of board members. CIEDC offices are located on the grounds of the Illinois Developmental Center (a large state hospital) in Logan County.

In addition to the job creation programs described previously, the agency operates 10 programs which provide a variety of services to residents of the five county area. These include Headstart, Foster Grandparents, Weatherization, Senior Transportation and Nutrition, Energy Assistance, the W.I.C. (Women, Infants and Children) program, Community Care and Community Services. Approximately 120 people are employed by the agency, which is headed by an Executive Director.

CIEDC has an annual operating budget of approximately $2 million from state and federal grant programs. Most of this funding comes from the Departments of Energy and Health and Human Services under the Illinois Community Services Block Grant. In addition, each local county board contributes a small percent of funding each year according to its own budget and ability to contribute. The 10% matching funds required for the transportation program are usually provided by the Community Chest or United Way.

The 1983 Community Services Block Grant (CSBG) mandated that community action agencies become more active in economic development projects that would assist them in achieving a greater measure of self sufficiency. The newly-created Economic Development Division and the two cottage industries projects are partly a response to that mandate. The CIEDC serves approximately 9,000 clients per year in all of its programs.

The Problem

There were two broad problems to be addressed by the agency. The first was that there were large numbers of people without work. The second was that the agency was suffering from funding cutbacks in a number of projects.

Goals

The goals of the economic development division and the cottage industries (textiles, film and window divisions) are:

1. To enable other agency grant funded programs to stretch their dollars, i.e., to offset losses;
2. To use displaced homemakers, older Americans, unemployed, and underemployed people with limited skills in the employment projects;
3. To provide job training;

4. To act as a stepping-stone for trainees, encouraging them to seek private sector employment when a level of proficiency is achieved;

5. To work toward achieving self sufficiency.

Solutions/Strategies

The solution to the twin problems of increasing the number of jobs and generating new funds was to create projects that could employ low-income people and that would be profitable.

A critical factor for implementing the strategy was to find the money and equipment for start-up. A newspaper drive was begun, a defensive driving course for seniors was instituted and a grant application was submitted to the state for additional funding. Equipment (sewing machines) that could be loaned or donated were located. The first project was consistent with the funds and labor available. It was the Flexigard Film project with 3M Company.

The Economic Development Division's manager explained that the agency had been using the Flexigard Film in its own weatherization program. When the 3M Company was contacted about the film, the manager found that 3M would no longer be producing the Flexigard Window Kits. After some discussion, 3M decided in December of 1982 to award CIEDC the exclusive national contract to assemble the window kits for nationwide distribution. The program began with two Green Thumb and one CETA employee, and central production facilities were set up in the CIEDC building. The Manager emphasized, however, that the film kits were a product that needed to be heavily advertised and the agency was prohibited from such advertising by law (no advertising could be done using the state or federal funds which make up the agency's budget). In addition, he noted that because of the lack of advertising, contractors were finding other materials to use. Presently, the only orders for the Flexigard Window Kits are coming through the 3M Company in Minneapolis. As customers call 3M for orders, they are referred to CIEDC. The manager said there have been no new orders since June, although he does have two ongoing contracts in Indiana and Nevada.

At the time the Flexigard Window Kit operation was slowing down, another project became available. This project, the Smock and Apron Sewing, is not only profitable but growing rapidly. The Smock and Apron Project grew out of a request from the Director of the Illinois Green Thumb program.

CIEDC has been involved with the Illinois Green Thumb program for four years. Green Thumb needed smocks and aprons, and wanted to reduce the costs it was paying to have the garments made. Also, there was desire to put some more of its people to work.

The CIEDC manager, after reviewing the costs and labor and equipment requirements, determined that this project was consistent with the economic development goals of the agency and was, at least, a project in which the agency would break even. Green Thumb offered to supply four people to do the sewing. It assisted in marketing the finished garments by informing the national and state Green Thumb programs of CIEDC's operation. The Smock and Apron Project began in March, 1983, with an order of 1,385 units going to 14 different states, including Illinois.

Four Green Thumb employees (elderly women) work four hours a day cutting and sewing the smocks and aprons. An additional eight to twelve people are sub-contracted to sew the garments in their homes. Standard patterns are used and the material is cut in the production facilities at the CIEDC building. Cut material with a set of instructions is distributed to the individual sub-contractors who sew the garments in their homes.

In addition to the smocks and aprons, CIEDC sells the patches bearing the insignia of the Green Thumb and Foster Grandparents programs. The finished garments have these insignia patches stitched on, but the patches are also sold individually.

The people who were employed in the Flexigard project and those employed in the Smock and Apron project are local county residents. Most have had some sewing experience. Many of the sub-contractors doing home sewing were laid off from jobs in Lincoln's textile industry. The agency has worked closely with the Illinois Job Service staff, and it is the Job Service which referred the sub-contractors to the project. Additional training is provided by CIEDC.

While the Flexigard project has generated just $1,200 in revenues, the Smock and Apron project has produced gross revenues in excess of $11,000 to date.

Role of Employment and Training in Job Creation and Retention

Both the Economic Development Manager and the agency Executive Director see a big future role for employment and training strategies in the achievement of their overall goals. Currently, the project is using people who already have sewing ability and/or experience. Additional training is provided by the Production Supervisor (one of the Green Thumb employees) and by an accomplished seamstress on staff in another division of the agency.

As the project expands, it is anticipated that the agency will be able to provide OJT slots for those interested in learning mass production sewing. In conjunction with on-the-job training, they want to provide classroom training to those who have no previous sewing skills. The manager noted that a future possibility would be to work with the marketing and design department of a local college to provide cooperative training for project employees. That is, the schools would give credit to students who made themselves available to the agency to participate in marketing and design activities.

The Executive Director emphasized that the people referred to the agency for employment are usually those with the least skills. She noted that it would be important to provide job counseling and employment skills training (e.g., the necessity of calling in when late or sick and why one should be at work on time).

The agency wants its projects to be entry points for employees. They will be provided training, job counseling and will realize some experience, and when a level of proficiency is reached, they will be encouraged to seek jobs in the private sector. Thus, it is anticipated that a broader variety of employment and training strategies will be used as the Economic Development Division becomes more secure.

Key Agencies Involved and Their Roles

The nature of interagency cooperation was described as very good and had been well-developed in Logan County for more than a decade. It was noted that each county has an interagency "coordinating council." In Logan County, where CIEDC is located, this council has been meeting monthly for the past decade. Representatives of various agencies come together at these meetings to share ideas and problems and to discuss new projects. The Chamber of Commerce, however, does not participate in the coordinating council. As a whole, cooperation with the business community was described as poor, but cooperation from individual businesses was said to be "great."

There are two key agencies collaborating with the Central Illinois Development Corporation in both projects. The Illinois Job Service screened and referred people to the projects and this relationship is expected to continue in the future. The Illinois Green Thumb program provided some of the labor and marketing assistance for the projects. The Central Illinois Economic Development Corporation raised the start-up funding for materials and equipment and the space for storage and basic production. The CIEDC manager developed and oversees project operations.

Critical Steps in Implementation

The first step is to *find the right product*. The Executive Director stressed that the product needed to be related to the overall purposes of the agency. Both the Manager of the two projects and the Executive Director noted that many people did not feel that economic development was a suitable activity for a community action agency to be engaged in. Thus, the agency had to be extremely selective and, in particular, had to be sure there would be no financial loss to the agency.

As the second step, the manager of the projects noted that it was most important to *analyze the assets available*. The agency did not have the funds to invest in equipment and labor and, therefore, had to look carefully at what could be started with little investment and readily available labor. After this, he was able to capitalize on the good relationship which the agency had built up with several local suppliers. This allowed the agency to get materials on credit based upon the orders that were secured.

The third step was to *obtain space for production.* This was accomplished through use of existing agency facilities.

The fourth step was the *identification of a market for the product.* The assistance of the Illinois Green Thumb program was valuable in determining interest from Green Thumb programs nationwide.

Fifth, the agency *developed a preliminary undertaking so as to determine the skills of the new employees and to determine the extent of their ability to work together as a team.* In addition, it gave the agency an opportunity to get to know the employees.

Finally, the manager noted that it was extremely important for a small operation to *engender pride in the quality of work* put out. He noted that service and quality were the only things such a small operation had to offer over larger, commercial manufacturers.

The Executive Director noted that the agency had a self sustaining project with jobs retained. Because of the growth of the project, it is anticipated that more people will be hired in the near future. To date, 17 unsubsidized employees have worked in the Smock and Apron project at its height, and two to three subsidized employees are working on the Flexigard Film project.

One employee has been upgraded as a result of the Smock and Apron Project. This is one of the four Green Thumb employees who was recently promoted to Supervisor of the Production Unit. She is now gaining experience in supervision of the three other Green Thumb employees as well as in training the sub-contractors who come in for instruction before sewing garments at home. All of the employees have learned about mass production sewing.

Both the manager and the Executive Director noted that there has been a lessening of the resentment between pure human services and economic development people. They say the project has demonstrated that pure human services and economic development can work together.

Projections for the Future

The manager anticipates developing a few more marketable products through cottage industries as part of the Economic Development Division. He is currently looking into the market for handmade quilts.

It is expected that the cottage industries projects will be self supporting within three years. These industries will be a place to employ people found by the outreach staff as well as those referred by the Job Service and other jobs related programs.

The Executive Director stressed that these industries are expected to return "some dollars" into the general operating fund of the agency to offset the cutbacks in other areas. This will help to ensure the survival of the agency to continue its mission and to continue its cottage industries.

The Manager anticipates reviving the market for the Flexigard Film Window Kits. He is currently holding discussions with a local retail chain store operation about selling the kits through the chain. If successful, the chain can take over advertising and promoting the window kits for sale through their outlets. In addition, the Manager noted that as cottage industry becomes more profitable, discretionary funds they provide can be used to promote the window kits (it was only state and federal funds designated for other purposes which could not be used to promote these products). The 3M Company will still refer orders.

The Manager also noted that he is also looking into possible expansion of the sewing project into limited manufacturing of other garments such as parochial school uniforms. He is currently evaluating some other areas which will help to diversify products and provide more modern training to local residents and, in the future, provide trained people to the private sector.

Further, the Manager noted that he was open to short lived projects that require little or no investment and which would generate funds. He explained that he would be looking for projects where CIEDC could sub-contract for overload work from other manufacturers. Thus, when CIEDC's orders are slow he will market, to the private sector, the labor of the employees and sub-contractors of the cottage industries. He expects the cottage industries to be able to broker for other hand crafted items as well.

Additional Problems and Challenges

The Executive Director noted that the challenge would be to find suitable projects to form future departments of their Economic Development Division. An additional challenge will be to continue to dissuade corporate board members and the community from believing that "staying clear of competition with private industry" is necessary.

The cost of labor, as well as where to find capital, were noted as two continuing problems. The Manager also noted that the decision to expand or to continue to be a specialty operation would be a problem depending upon the economy and the markets. He noted that a good planner would need to be hired and that forecasting would become more important. In addition, market analysis expertise would be required.

One final problem and challenge was put forth by the Executive Director. She emphasized that every non-profit organization would, if their profit-making ventures were to be successful, have to decide whether or not to form a subsidiary corporation for economic development. She stressed that careful consideration of this decision was required, and that legal advice would be necessary. She noted that such a decision related to taxes, wages, employee benefits and to decision making, particularly how the subsidiary would relate to the parent organization. The manager added that how much profit was being made, what was to be done with it, and what percent of the total agency budget is represented were all factors to be weighed in deciding when and if a subsidiary corporation should be formed She noted that each agency should have some milestones which should be reviewed periodically as profit-making ventures progress. Such milestones would help the agency to avoid any problems that would jeopardize its non-profit status.

Advice to Those Facing Similar Problems

The Executive Director noted that it was important to "do your homework" and then jump in. Both the Manager and the Executive Director felt that the elements of success included dedication, cooperation and the availability of start-up staff and money.

In addition, the Manager gave the following specific advice. First, he advised to locate those who were already in the business and seek their help. That is, ask for advice.

- Determine what kind of business you can get into that fits your available assets and requires little investment.

- Do a market analysis. Will your initial investment be returned on the first major order?
- If you can't afford a loss, get orders up front before you go into production.
- Do a Gant Chart or have some other tool to monitor progress and stick to it in planning and in production.
- Stress quality.
- Work out a rapport with suppliers and let them know your situation. Use the biggest vendors available for credit references.
- Finally, know when to seek help when a problem arises. This applies to all those involved in the project. Someone is needed for a sounding board for feedback and help.

The Executive Director also noted that flexibility among employees and board members was extremely important for success. There is a need for those involved to be able to accept quick changes in direction.

The Setting

Both the Solar Film and Smock/Apron Projects are operated at a production area in the CIEDC building in Lincoln, which is in Logan County, Illinois. Logan County is the largest county with a population of 31,802 people. The five county area is largely rural and agricultural. The Capital Area Airport is approximately 32 miles from Lincoln, in Springfield, Illinois. See the table at the end of this section for additional information.

The type of government in Logan County and in the other four Central Illinois counties is County Board of Supervisors. The County Board members are elected officials. The smallest county has four to five supervisors, while Logan County, the largest, has approximately 25 supervisors. Each Board of Supervisors is headed by a Chairperson. The tax base is composed primarily of taxes on farm land and other real estate.

The major sources of employment in these Central Illinois counties are farming or agriculture related businesses such as local seed companies. One of the largest employers in the area, prior to recent cutbacks, was the Illinois Developmental Center which had employed close to 5,000 people. This state hospital for the mentally retarded now employs 600 to 700 persons.

The unemployment rate was estimated to be double what it was just two years ago. The rates within the five counties range from 11.1% in Menard County to a high of 15.5% in DeWitt County. The February unemployment rate for Logan County was 13.5%. There was no expectation that these rates will come down soon.

It was estimated that hundreds of residents of the five counties commute to factory jobs in nearby larger cities such as Springfield, Decatur and Peoria, Illinois. Most of these factories are located within a 30-mile radius from one of the five counties. It is layoffs at these plants that have contributed to the major increase in unemployment in the area.

The infrastructure was described as very good. There is some rail transportation, but the trucking industry provides most of the industrial transport in the area. It was noted that there are two major trucking companies in the area, both of which transport nationwide. These are Garland Gehrke Trucking and Barrick Transfer. There are also several smaller trucking companies which operate in the area.

The area is served by two major Interstate highways and several state highways. Interstates 55 toward Chicago and 72 toward Decatur and Champaign serve the area, as well as Highways 136 and 51. There is, however, no public transportation in the area.

There are several commercial airports within a 30-mile radius of the five counties. These are the Capital Area Airport at Springfield, as well as one in Peoria and another in Champaign, Illinois. In addition, a smaller, local airport can accomodate corporate planes.

The water and sewer systems are such that most people have septic systems. Those wells still in use are inspected regularly.

It was noted that a major strength of the area was its central location both within the state and the nation. It is considered an ideal location for distribution purposes which makes transportation of finished products cheaper than it would be from coast to coast. Another location strength noted was that from every county, it was no more than 30 miles to a city. Several universities and colleges are located in these cities. For example, a University of Illinois campus is 30 miles away in Champaign. It was noted further, that there is a well established system of public junior colleges in the area, and there is a private junior college right in Lincoln.

There were few general weaknesses that seemed to stand out. Two that were articulated were the following. First, the lack of public transportation made it extremely difficult for low-income people to get to jobs. Second, the sparsity of the population prohibited easy delivery of human services and hampered the efficiency of services. It was noted, for example, that the agency had to expend more monies in travel than it would otherwise have to if its clients were not so spread out.

Selected Information on Five Illinois Counties

	DeWitt Co.	Logan Co.	Mason Co.	Menard Co.	Piatt Co.
Total Population[1]	18,108	31,802	19,492	11,700	16,581
Percent Minority Population[1]	.7%	3.1%	.5%	.5%	.5%
Percent High School Graduates Age 25 Years and Older[2]	65.4%	66.4%	68.5%	67%	70%
Percent of Rural Population[2]	55.7%	48.7%	64.1%	100%	71.3%
Per Capita Income[2]	7,537	7,229	7,038	7,434	7,893
Percent Acres of Farm Land[3]	95.2%	92.5%	87.1%	97.4%	99.1%
Unemployment Rate[2]	6.3%	6.2%	9.1%	5.4%	5.6%

Sources: See Notes (Notice that unemployment rates above are from 1980 Census. It was reported that these rates had doubled in the past two years.)

Contacts

The following people were interviewed for this research:

Jane Poertner
Executive Director
Central Illinois Economic
Development Corporation
861 S. State Street
Box 846
Lincoln, IL 62656

Oren List, Manager
Economic Development Division
and Cottage Industries
Central Illinois Economic
Development Corporation
861 S. State Street, Box 846
Lincoln, IL 62656

Summary

This project focused on job creation and the creation of profitable ventures which would provide employment and help offset the losses from cutbacks in certain grant funded programs. Federally subsidized Green Thumb workers provided part of the labor for both of the cottage industries projects, and 14 different state Green Thumb programs contracted with the Smock and Apron Project for garments.

Although most of the 17 unsubsidized jobs created by the Smock and Apron Project were lost after a slow down in orders, it is expected to hire new employees for itself and also provide funds to help revive the Flexigard Project.

Notes

[1] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population, Volume 1, Characteristics of the Population, Chapter B. General Population Characteristics, Part 15 Illinois (Washington, D.C.: U.S. Government Printing Office), August 1982.

[2] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population and Housing, Supplementary Report, Advance Estimates of Social, Economic, and Housing Characteristics, Part 15 Illinois (Washington, D.C.: U.S. Government Printing Office), February 1983.

[3] U.S. Department of Commerce, Bureau of the Census. County and City Data Book 1977, A Statistical Abstract Supplement (Washington, D.C.: U.S. Government Printing Office), May 1978.

Note: Percentages for minority population and rural population were derived.

Mountain Association for
Community Economic Development
Berea, Kentucky

Case Report by
Arneada Bray Russell
Field Researcher

Synopsis

B&W Pallet Company is a sawmill which manufactures hardwood industrial pallets and hardwood furniture grade lumber. The plant is located in Carter County in northeastern Kentucky, and it employs 11 full-time people. A maximum of 15 people have been employed at any one time, and at the time of the interview, the plant was in the process of relocating as a function of expansion.

Since 1977 the gross sales volume of the company has increased from $185,000 per year to $475,000 per year. The relocation and expansion will cost $728,500, and are expected to be completed in the summer of 1983.

Description of the Institution

The Mountain Association for Community Economic Development (MACED) was formed in 1976 by several other community development groups from eastern Kentucky, southwest Virginia and Tennessee. MACED formed to provide technical assistance in starting co-op and other locally owned businesses in the underdeveloped, rural areas of the Central Appalachian region. MACED provides technical assistance to owners of existing businesses and to potential business owners who need assistance in getting started; among them is the B&W Pallet Company.

MACED's office is located in Berea, in Madison County, Kentucky. The organization is governed by a Board of Directors composed of seven members. It is a non-profit corporation which receives the majority of its funding from foundations. The Board of Directors originally included members from all three states; however, it was stated that due to the long distances traveled to and from meetings, members from the other states no longer serve on the Board. Presently, all of the Board members come from eastern Kentucky.

MACED has a staff of nine staff, including its President. The staff provide technical assistance in such areas as management, finance, production, marketing and accounting. The major part of MACED's effort is devoted to business development. In this area, MACED not only provides technical assistance to local entrepreneurs, but also provides financing for start-up and expansion through its own Cumberland Fund Division. The B&W Pallet Company is one of four forest products businesses partially funded by MACED. In addition to these businesses, the manager of the Cumberland Fund and director of the Forest Products Center estimated that MACED provides technical assistance to an average of 25-40 other businesses per year. These businesses include machine shops, retail stores, light manufacturing, battery cable manufacturers, hydraulic shops, toy and furniture manufacturers, as well as various wood-related enterprises.

Since 1976, MACED has expanded its focus from business investment to include community development work, and is now addressing the problem of poor housing in eastern Kentucky. By late August or early September, MACED expects to see the results of a two-year long effort to secure better terms for home mortgage loans through formation of the Eastern Kentucky Bankers Consortium for Mortgage Lending, an association of 94 banks.

The Problem

The problem was that there was a need to start local businesses which would provide jobs to local, low income residents. The community development groups of southwest Virginia, eastern Kentucky and Tennessee wanted to start businesses that were owned and controlled locally and which would directly benefit low income residents. To this end, MACED was formed.

Goals

The goal of the business investment aspect of MACED's work is the creation of employment opportunities for low income residents in locally owned businesses.

Solutions/Strategies

The solutions to the problem of creating employment opportunities in locally owned businesses were to start new businesses or to increase the capacity of existing locally owned businesses to employ more people. The general strategy was to provide technical assistance to local entrepreneurs who already owned businesses in the area or who wanted to start a business. The overall strategy has evolved as MACED has gained more expertise and knowledge in specific areas. A significant factor in the overall strategy is the ability to secure or provide financing to local entrepreneurs. The B&W Pallet plant is an example of the overall strategy of business investment. B&W is the newest MACED project and the largest in terms of dollar investment and the number of jobs.

The B&W plant is currently housed on a two acre site in a building of 6,800 square feet, and gross sales are at $475,000 annually. The plant is producing approximately 1.75 million board feet (MMBF) of lumber per year, 10% of which is sold as furniture grade lumber and 90% of which is used in the production of pallets. However, the limitations of the plant size and equipment prevented the company from being able to compete for larger orders and new markets.

Early in 1982, the company decided to relocate to a four and three-quarter acre site. The owner submitted a loan application to a state finance agency, seeking money to purchase additional equipment and buildings. After being turned down, he took his plans to MACED.

The MACED staff reviewed B&W's previous operations and the proposal for the planned expansion. They assisted B&W in developing a business plan including a three-year projection of sales and costs. They also reviewed the entire market process and did a financial analysis. They assisted in preparing a loan application which was submitted to the federal Office of Community Services (OCS). MACED secured the OCS grant for $225,000 to work with B&W in expanding its operations. The OCS grant represents approximately 33% of the total financing for the $728,500 for relocation and expansion. The balance of the financing is being supplied by a local bank and the owner of B&W. MACED is also helping B&W to secure new markets for its products. The relocation is expected to be completed in the summer of 1983.

The new B&W location houses a plant of 19,812 square feet, triple the size of the old plant. High production pallet equipment is being installed as well as handling equipment for wood by-products. It is anticipated that the new plant will employ approximately 35 people, increasing its full-time staff by 23 people at first. In addition, jobs created for contract loggers, haulers and timber cutters will number about 50. Thus, the expansion will have created full-time employment for approximately 73 additional persons. It is expected that the plant alone will employ as many as 90 people in the near future. Projected sales for the 1982-83 year are expected to average $202,000 per month or $2.4 million per year.

Most of B&W's employees are high school dropouts from the surrounding counties. The plant is able to employ both men and women of great age ranges. The owner noted that he recently employed a man 83 years of age.

Role of Employment and Training Strategies in Job Creation and Retention

B&W has devised its own training program for new employees in which each new employee rotates through most of the plant's jobs. New employees are paired with an experienced person in each job and are assessed as to their suitability for different jobs. The training and rotation period lasts for approximately three months. At the end of the three months, new employees are ready to be placed in a job and to work on their own.

Although job training strategies are not primary in the solutions and strategies of the overall goals, it should be noted that the local employment and training agencies in eastern Kentucky have played an indirect role in MACED's employment creation efforts. For example, B&W's owner noted that all of B&W's new employees will be recruited through the local employment service. He has worked closely with one of the women in the employment office to develop a selection/screening process for those people who are referred to his plant. Even those people who walk into the plant off the street seeking work are referred to the employment office. This arrangement not only provides a valuable service to the plant in taking applications and screening potential employees, but also provides information regarding the eligibility of applicants for employment and training programs which can defray some of the costs of employing low income people. Through this process, B&W has been able to take advantage of Targeted Jobs Tax Credits (TJTC) as well as the On-the-Job-Training (OJT) 50% reimbursement available through the local Private Industry Council's (PIC) programs.

In addition, MACED conducts approximately six workshops per year on economic development and business investment. At these workshops, the availability and expertise of the MACED staff is discussed and explained to area residents. The local PIC has contracted with MACED to provide some of these workshops in its target area and a PIC staff person is on hand to explain the Private Industry Council's programs as well. MACED also encourages the businesses it works with and invests in to utilize employment and training programs wherever they can.

Key Agencies Involved and Their Roles

The key agency involved in the success of this project is MACED. In addition, the Office of Community Services provided a grant of $225,000, and local banks loaned money for plant expansion.

Critical Steps in Implementation

Several milestones in MACED's own history are significant to note in the development of the overall strategy it now employs in the area of business investment. First, it was important to develop expertise in one given field. MACED's President described the importance of becoming knowledgeable in the forest products field. Focusing in this area, MACED staff have developed expertise in all areas of the forest products business, including the feasibility of start-ups and expansion, production processes, equipment, operating problems, markets, financing and management of such businesses. This has led to the establishment of the Forest Products Center where anyone wishing to start or expand various wood products businesses can get information and guidance in all of these areas.

Another milestone in MACED's development was the *creation of the Cumberland Fund Division.* The Cumberland Fund allows MACED to finance small businesses and set terms which are responsive to individual business needs. The Fund can loan from $5,000 to $150,000 to local businesses.

There are several critical steps in insuring the successful start-up or expansion of small businesses. These were described by MACED's Fund Manager.

First, is to *determine the feasibility of the business proposal.* This applies whether it is a start-up of a new business venture or the expansion of an existing operation.

The second step, and according to the Fund Manager perhaps the most critical, is the *development and writing of a business plan.* Since most people have never written a business plan, MACED's expertise and guidance in this area are particularly important. The Fund Manager explained that the biggest drawback to getting more businesses started was the time required to develop a sound business plan. This can take from one to six months of staff time. MACED does not write the plan but, rather, assists the owner or potential owner by providing information about various aspects of the business environment, helping to prepare budgets, locating sites and equipment, and determining the amount of cash required for the owner's investment. The business plan must include 3-year projections.

The third step is *securing financing.* MACED requires that the owners invest as much of their own funds as possible. The Fund Manager noted that it was important for owners to have a personal investment in the business. MACED's investment in any one business is generally approximately the same as the owner's. This usually amounts to from 20-25% of total investment. MACED then assists the owners in securing additional financing from the Kentucky Development Finance Authority (a state agency) and others. The Fund Manager also noted that obtaining bank participation was a must.

The fourth step is *assisting the owner during the start-up period.* During this period, MACED staff may provide assistance in setting up bookkeeping systems or may actually provide accounting services if necessary. Additionally, they help in solving any operating problems that may arise.

The fifth step is *monitoring,* one which the Fund Manager also emphasized was particularly important for new businesses. MACED staff maintain regular contact with the owners through telephone calls and meetings at the business site. In addition, a monthly financial statement is required from each business. This close monitoring allows MACED staff to keep abreast of progress and to head off potential problems, especially cashflow problems. It also serves as an opportunity to provide information on new markets, potential new contracts and other opportunities.

By following these steps, MACED's strategy of creating employment opportunities through local business investment has resulted in four successful businesses which will directly employ more than 60 additional people. Indirectly, these businesses will provide jobs for perhaps twice that many in related areas.

Outcomes

The first criterion for success is the number of permanent jobs created in local businesses for low income residents. Thus far, B&W Pallet will directly employ the most people. However, the Fund Manager noted that every new job creates an additional one to two other jobs as loggers and haulers, etc. Further, he estimated that the technical assistance provided to other small businesses has prevented a loss of jobs in some cases. For example, one small company which had been making wood products for the mining industry was on the verge of going out of business when the coal slump occurred. With MACED's help, the company was able to turn its opertion into one producing lumber for the furniture industry.

Projections for the Future

MACED is currently doing research on the apparel industry in the eastern Kentucky area. Following its successful strategy in the forest products field, the staff is gathering information on the apparel industry's operations and expect in the near future to be working with individual companies to improve employment opportunities in that industry for low income residents.

The staff will continue to seek out opportunities to create more businesses and more jobs in eastern Kentucky counties as well as in Southwest Virginia and Tennessee. It was noted that future business investment efforts will target special areas such as electronic components and the apparel industry. In addition, as the economy continues to improve, MACED will look to expand the markets for local employees. The Loan Manager expects to see the loan fund increased to approximately $5 million dollars.

Additional Problems and Challenges

The Fund Manager noted several additional problems and challenges for MACED's future economic development efforts in the Central Appalachian region. One of these is to locate new business leaders. Finding local entrepreneurs who have the ability to operate successful businesses is crucial to continued business investment efforts. A second challenge is to secure more private financing for local businesses.

The third challenge put forth by MACED's President and echoed by the Fund Manager is a greater emphasis on public and private policies and practices. They both stressed that it is important to try to effect some changes in public policies as they relate to, for example, infrastructure development and the tax base.

Interviewee Advice to Those Facing Similar Problems

The Fund Manager, who provided most of the information regarding this project, offered the following advice to others interested in economic development in poor, rural areas. He stressed the importance of strong leadership. The commitment of the head of the organization and of the staff was emphasized as crucial to the stability and success of any organization involved in such efforts. Secondly, he noted that it is extremely important to have a set of clear cut goals, to know what the mission is.

Thirdly, he cited the need for access to funding. He noted that without financing, people would be simply "spinning their wheels."

Fourth, he indicated that major results should not be expected too quickly. He added that in an area like the one in which MACED is working, some resistance should be expected from local banks as well as from the local governments.

Fifth, he emphasized the advantage of focusing one's efforts in a particular field. Developing expertise in one field before moving on to something else is important to establishing credibility and can help ease the way for other ventures.

MACED's President warned that it was extremely important to have as many sectors of the community involved as possible so as to avoid the possibility of one organization wielding all the influence. Any such venture should be "owned by all." Finally, he advised that flexibility should be the watchword in any economic development undertaking, a recognition of the need to go beyond just employment and training.

The Setting

This section describes the settings of both the Mountain Asso-for Community Economic Development and the B&W Pallet Company.

B&W Pallet is located in northeast Kentucky in Carter County. Carter County is basically a rural farming area, but also contains large forest lands. The plant is located about five miles from Interstate 64 and is approximately 1 and 1/2 hours drive from the Lexington Blue Grass Airport.

The type of government in Carter County is Fiscal Court. The Fiscal Court is a body of magistrates elected from districts within the county and headed by an elected county judge. There are generally four to five magistrates elected in each county. The county judge has one vote.

The following data may provide additional insight regarding Carter County.

Total Population[1]	25,060
Ethnicity[1]	7.8% minority, 92.2% majority
Rate of High School Graduation for Persons 25 Years of Age and Older[2]	38%
Percent of Rural Population[2]	76.2%
Percent Acres of Farmland[3]	46.1%
Per Capita Income[2]	$4,453
Unemployment Rate[2]	14%

It may be concluded that the environment of the B&W sawmill is one characterized by rural poverty and high unemployment. In this regard, it is not unlike the rest of the region served by MACED.

Although the MACED staff is available to anyone in the Central Appalachian region, most of its work has been concentrated in 49 counties of eastern Kentucky. Twenty-three of those counties, which lie in the economically hard hit coal mining region, are MACED's primary target counties.

The coal mines of eastern Kentucky are the largest employers in the area. The next largest employers are the apparel manufacturers and the lumber industry. The apparel industry employs the majority of the women who work outside the home.

The tax base is composed primarily of property taxes; however, in the coal counties a tax is levied on coal taken out of the mountains. The counties have the authority to levy income taxes but do not currently use this method. Because of very low assessments, the property tax raises little income for the counties. In addition, most of the taxes on coal taken from the ground are paid to the state, a portion of which is returned to the counties through a complex formula. Thus, the tax base of eastern Kentucky's counties is very weak, and the region relies heavily on state and federal intergovernmental transfers.

There is little seasonal employment generally, with some variation noted in those counties engaged in tobacco farming. There is also some seasonal employment in the apparel industry, depending upon the garments being produced. For example, if the season for jackets is over, there may be some layoffs in plants producing jackets. Unemployment was estimated to range as high was 50% in some areas of eastern Kentucky, with coal producing areas having the greatest problems. These rates are not expected to abate much in the near future.

In the eastern Kentucky area, it is not uncommon for people to commute to jobs from 1 hour to 1 and 1/2 hours away. It was estimated that 2/3 of the people working at one of the largest mines commute up to 1 and 1/2 hours each way. Approximately 10% of Carter's residents work outside of that county.

The infrastructure was viewed as a major impediment to development of the area. It was estimated that only 40% of the area's residents are on a county water system and fewer than that are served by a county sewer system. Untreated sewage was seen as a major source of water pollution in the counties. There is no public transportation, and the rail transportation was described as being for use by the coal industry. The nearest major airport is 1 and 1/2 hours drive away in Lexington.

There are three major road systems in the area - Interstate 64, Route 80 and the Daniel Boone Parkway. These were described as adequate; however, the secondary roads serving the area are poor. The secondary roads, the water and sewer systems are managed by the county governments.

The area is a major source of coal for the rest of the country. There is also a good supply of water and timber. It was cited as a major source of hardwood in the United States. Additionally, the people of eastern Kentucky were described as one of the area's strengths. They were described as independent, hard workers with a very low turnover rate and a sense of ownership for their jobs.

The Appalachian Regional Commission was cited as a strength of the area and a resource which was helping to improve the infrastructure deficiencies. Also cited as a strength was the Kentucky Development Finance Authority (KDFA). This was because of KDFA's help in financing local economic development efforts.

The mountainous terrain of the area was cited as a major problem. It was seen as hampering the improvement of roads and sewer and water systems as well as being an obstacle to widespread communications and social integration with other areas. The terrain greatly increases the cost of building better roads and other improvements.

The nature of cooperation was described as good in some sectors and poor in others. The local Area Development Districts (ADDS) are multi-county planning agencies composed of from 5-7 counties each. The ADDs cooperate in infrastructure development such as roads, sewer and water systems. Some act as clearinghouses for federal Small Business Association loans. Generally, interagency cooperation was described as stemming from each agency's own mandate. That is, each agency will follow its own mandate in providing whatever services are called for. If those mandates happen to cross, agencies will work together.

It was noted that one of the local ADDs, the Lake Lumberland Area Development District, was extremely supportive of the first pilot project MACED conducted in forest products industries. The ADD participated in helping to secure the grant for the project and provided some office space and staff to the effort.

Contacts

The following people were interviewed for this research:

William Duncan, President
Mountain Association for Community Economic Development
210 Center Street
Berea, Kentucky 40403

Terry Fields, Fund Manager
Mountain Association for Community Economic Development
210 Center Street
Berea, Kentucky 40403

William Fannin, President
B&W Pallet Company
Carter, Kentucky

Summary

This project focused on job creation through expansion of a local business, a sawmill operation. The major economic development agency in the area secured sizeable financing for the expansion from a federal funding agency. This resulted in the creation of new jobs for the area's low income residents. This project is one of four local businesses which was either started or expanded through the assistance of MACED, a non-profit agency which has been working in the Central Appalachian region for seven years.

Notes

Sources of Data for Description of Carter County, Kentucky

[1] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population, Volume 1, Characteristics of the Population, Chapter B General Population Characteristics Part 19 Kentucky Washington, D.C.: U.S. Government Printing Office), August, 1982.

[2] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population and Housing, Supplementary Report, Advance Estimates of Social, Economic, and Housing Characteristics, Part 19 Kentucky (Washington, D.C.: U.S. Government Printing Office), February, 1983.

[3] U.S. Department of Commerce, Bureau of the Census. County and City Data Book 1977, A Statistical Abstract Supplement (Washington, D.C.: U.S. Government Printing Office), May, 1978.

Note that some statistics presented here were derived. These were Percent Minority Population; Percent Rural Population; and Percent Acres of Farm land.

Rowan Technical College
and
Philip Morris USA
North Carolina

Case Report by
Joseph McGreal
Field Researcher

Synopsis

This program constitutes what was described as the largest job training program ever attempted by the State of North Carolina. The organizations involved are Rowan Technical College, Philip Morris USA, the North Carolina Employment Security Commission, the New Industries Division of the North Carolina Department of Community Colleges, and others. Training in this program has already been provided to 264 people, most of whom were hired by Philip Morris. The several phases of the recruitment, training and placement process are as follows:

1. The North Carolina Employment Security Commission screens potential trainees (ads placed by Philip Morris and follow-up screening by Philip Morris).
2. Trainees are referred to Rowan Technical College, and they participate in PRE-EMPLOYMENT TRAINING. The training program is 64 hours in length, and the curriculum is developed by Philip Morris.
3. Those hired by Philip Morris at the completion of the Pre-Employment Training generally enter POST-HIRE TRAINING FOR PRODUCTION WORKERS. This consists of programs of two week and seven week duration, and at this point the trainees (now employees) are paid a regular salary by Philip Morris. Others who completed Pre-Employment Training may be placed in a pool rather than hired immediately.

In addition, there is a parallel program called the MULTI-CRAFT TRAINING PROGRAM (MCTP). The MCTP is designed to upgrade and/or broaden the skills of those already part of the Philip Morris work force. Conducted at Rowan Tech, the multi-phase training program has elements which range from two to twenty-eight weeks in duration. It consists of carpentry, first aid, plumbing, sheet metal working, CPR, welding, electrical maintenance, and fire safety. Those who participate in this training are already trained in some other skill and are not recruited from the pool of individuals who undertake the Pre-Employment Training and Post-Hire Training listed earlier; however, all of the training programs listed, Pre-Employment, Post-Hire, and Multi-Craft, are part of the cooperative effort between Rowan Technical College and Philip Morris USA, in concert with the other agencies noted previously.

Program Goals

The goals of the project were not complex. They were to provide Philip Morris with a trained workforce and to provide workers with employment skills and jobs. At the state level, the goals were to assist in local economic development efforts through a variety of mechanisms.

General Description

The development of the Rowan Technical College and Philip Morris venture is part of a statewide economic development plan designed to attract new industries to North Carolina and assist others in expansion efforts. Rowan Technical College, with a total enrollment of over 12,000, participated in planning the Philip Morris project in conjunction with the Office of the Governor, the Department of Commerce, the State Department of Community Colleges (New Industries Division), and the Office of the County Commissioner of Cabarrus County. Also included were the Concord Chamber of Commerce and a private developer from Charlotte.

A full-time Project Coordinator oversees the project. He is part of the New Industries Division of the State Department of Community Colleges, and he functions as part of the staff of Rowan Technical College. The Project Coordinator is responsible for overall coordination of the program for the college and acts as liaison between the college and Philip Morris.

The program operates with a multi-agency process. The Employment Security Commission's local office is the agency which provides the preliminary screening for the training project. Rowan Technical College, located in Salisbury, provides the Pre-Employment Training at the campus facility (training is provided at other schools in the area also). Trainees in the Pre-Employment Program do not receive stipends, and no training costs are paid by them. Most training costs are paid by the New Industries Division. In Post-Hire Training, the State of North Carolina provides the training facility while Philip Morris provides the equipment and instructors (a portion of instructors' salaries are reimbursed by the State of North Carolina). The actual placement of workers, once hired, is in the new $295 million Philip Morris complex.

The project began with advertisements run by Philip Morris beginning in March, 1982. The ads indicated that employment would be offered by the company, and that those interested should inquire through the local offices of Employment Security Commission (ESC). The ads resulted in approximately 33,000 responses. Subsequently, 25,000 people filled out and submitted what were called background information forms (these were developed jointly by ESC and Philip Morris). The Employment Security Commission then screened the 25,000 background information forms and eliminated 14,000. The remaining 11,000 people were then tested. The testing process lasted from April, 1982 through March, 1983; however, it did not take place every day during this period. On those days when testing occurred, it was with groups of 100 people at a time who were given the General Aptitude Test Battery. Of the 11,000 people, 264 have, to date, been referred to the technical college for Pre-Employment Training. The remainder will be considered for training as the need arises.

It was stated that at the outset of the program, screening was done exclusively by the Employment Security Commission. Subsequently, Philip Morris instituted follow-up screening prior to entry into Pre-Employment Training. It was reported also that early stages of the undertaking involved a substantial assessment of the quality of the skills needed to operate the proposed plant. These resulted in the production of a job training plan which involved the several agencies noted previously.

Program Development Sequence

Because of the broad range of activities performed by numerous actors over a period of many years of economic development activity, it is difficult to list a brief but accurate sequence of events leading to the implementation of the training programs under discussion. It may be concluded, however, that after the decision of Philip Morris to locate in the area, the following took place:

- Job Skills necessary for the operation of the plant were inventoried.
- Training programs designed to provide those skills were developed.

- Personnel screening devices were selected.
- Recruitment of personnel was undertaken.
- Candidate background information forms were processed.
- Candidates whose backgrounds were appropriate were tested and screened.
- Pre-Employment Training was initiated for successful candidates.
- Most successful trainees (graduates of Pre-Employment Training) were hired and entered into Post-Hire Training.
- Craft personnel employed by Philip Morris and not recruited through the mechanisms established for the production workers (Pre-Employment and Post-Hire training programs), were trained in the Multi-Craft Training Program.

It may be noted that the steps above are not numbered. This is because there was a great deal of overlap and simultaneous activity in the process.

Key Elements in Program Success

Success of the program was attributed to a number of elements. These included the active role of state and local agencies; the well-developed infrastructure of the area; the availability of appropriate land; the existence of venture capital; a history of positive work ethic among the local unskilled population; the availability of highly motivated and highly skilled workers in the local population; and what was described as an historically positive relationship between North Carolina and the tobacco industry. In addition, the proximity to substantial metropolitan areas (Charlotte, Salisbury, Concord and Kannapolis), and the availability of air, rail and highway transportation systems were major considerations. Thus, the trail of events and factors resulting in program success began long before Rowan Tech instituted the actual training program. Rather, it began with the exploration of expansion options by Philip Morris USA, or, perhaps even before that, with decisions by key agencies in North Carolina to actively court such industrial expansion.

No single element was put forth as the one responsible for the decision of Philip Morris to locate in the area; however, it may be assumed that the combination of elements listed constituted a strong inducement to the company. When these inducements are coupled with a long history of cooperation between industry and technical colleges in the provision of job skills training, the elements of success appear to be in place.

Outcomes and Projections

The plant is a $295 million complex on 2,100 acres of land within Cabarrus County. The training programs take place in Cabarrus County (NC), where the new plant is located, and in Rowan County (NC), where the technical college is located. It was stated that training takes place at additional schools in the area as well.

In addition to those already trained and placed by the program, it was projected that 82 trainees will graduate from Pre-Employment Training at the end of the summer of 1983. Most are expected to join Philip Morris. It was estimated that the 1987 staffing capacity of Philip Morris in the area may be approximately 2,000 people. In addition, it is highly likely that other jobs will be created in the area because of the growth of Philip Morris there. The Rowan Tech training program for Philip Morris is planned to continue into 1985.

The future of Rowan Technical College, it was reported, includes the continuation of training programs such as the one developed with and for Philip Morris USA. In addition, there was expressed an intention to pursue economic development goals by virtue of increasing the level of awareness in the local community of the need to attend to the social and cultural ambiance of the area. It was speculated that such elements, in addition to the traditional questions of infrastructure and related physical factors, are critical to the future of the area.

The Setting

The industrial expansion and training programs took place in two counties of North Carolina, Rowan and Cabarrus. They are in a dynamic state of transition from historically rural to metropolitan and industrial. Three cities are located within the counties - Concord, Mt. Pleasant and Salisbury. In addition, there is substantial and growing influence in the area from Charlotte.

Historically, the two adjacent counties had an agricultural base; however, the growth of the textile industry, the largest industry in the area, altered its agricultural status. Further, it is expected that several new industries will locate in the area of the college. According to a profile published by Rowan Tech, it is expected that a total of 1,300 people will be employed by M.A.N. Truck and Bus Company, General Electric and Reynolds Metals.

There is what was described as a fairly well-developed water system in the area. In addition, there is substantial transportation available in the form of major highways (e.g., Interstate 85 intersects the two counties); air transport (Charlotte Airport is approximately one hour's drive); and rail (Southern Railroad serves the area).

As the textile industry has declined, other initiatives have tended to employ those workers displaced. This was attributed to the economic development efforts at the state level, to the availability of workers with sound work histories, and other factors noted previously.

Additional insight may be gained through a more detailed description of certain population and economic factors. The following information was obtained or derived from several published sources noted at the end of this case description.

	Cabarrus County	Rowan County
Total Population[1]	85,895	99,186
Percent Minority Population[1]	14.8%	16.3%
Rate of High School Completion for Persons 25 years of Age and Older[2]	49%	49.4%
Percent Rural Population[2]	37.3%	55.8%
Percent of Acres of Farm Land[3]	43.6%	39%
Per Capita Income[2]	6,698	6,411
Unemployment Rate[2]	3.8%	4.1%

The information above is not provided so as to compare the counties to one another. Rather, it is offered only as an additional source of insight to readers who might wish to compare the area to their own. The area is in a state of transition along two variables noted previously but not apparent above. Firstly, it is in transition from an agricultural to an industrial base. Secondly, it is experiencing a decline in the fiber and fabric industries and is developing others.

Contacts

The people named below were interviewed for this research, and program and other descriptions and conclusions were the result of the interpretation and synthesis of their contributions. Those interviewed included: Richard Brownell, President of Rowan Technical College; Ron Bostian, Executive Dean of Rowan Technical College; Timothy Hutchins, New Industries Coordinator of the State Department of Community Colleges, New Industries Division; John Danich, Coordinator of Industrial Services of the State Department of Community Colleges; Ed Smith, Administrator - Technical Training at Philip Morris (interview by telephone only); Bill Daniels, Supervisor of Mechanical Training at the Philip Morris Training Center; Shirley Hickok, Supervisor of Cigarette Training at the Philip Morris Training Center; Lewis Penn, Administrator of Supervisory Development; and, Michael Gissing, Senior Specialist of Management/Development Organization Planning. Interviewed also was Beth Cook (interview by telephone only) of the local office of the North Carolina Employment Security Commission.

Summary

The cooperative training program between Rowan Technical College and Philip Morris is the result of a multi-agency effort at state and local levels, as well as the result of public sector and private sector collaboration. Further, the success of this massive undertaking must be explained in the context of a generally positive economic environment in the area and the local history of continual industrial development.

Notes

Sources of Data for Descriptions of Cabarrus County (NC) and Rowan County (NC)

[1] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population, Volume I Characteristics of the Population, Chapter B General Population Characteristics Part 35 North Carolina (Washington, D.C.: U.S. Government Printing Office), August 1982.

[2] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population and Housing, Supplementary Report. Advance Estimates of Social, Economic, and Housing Characteristics, Part 35 North Carolina (Washington, D.C.: U.S. Government Printing Office), February 1983.

[3] U.S. Department of Commerce, Bureau of the Census. County and City Data Book 1977, A Statistical Abstract Supplement (Washington, D.C.: U.S. Government Printing Office), May 1978.

Note that some statistics presented were derived. They were Percent Minority Population; Percent Rural Population; and Percent Acres of Farm Land.

Another document consulted for general background information presented in this report was, "A Profile of Rowan Technical College."

Hocking Technical College

Nelsonville, Ohio

Case Report by
Joseph McGreal
Field Researcher

Synopsis

Hocking Technical College in Nelsonville, Ohio has created revenue generating businesses. These college operated industries include a sawmill, a hotel/motor lodge that is owned independently but controlled by the college, and wholesaling and retailing of ceramic products. By operating these businesses, the college provides its students with extensive on-site internships and apprenticeships in a rural area that could, otherwise, never allow for such on-the-job learning experiences.

The Institution

Hocking Technical College has a unique character. It was designated to serve a three county area in southeast Ohio; however, it is an exporter of education and training to students from all of the 88 counties in Ohio, and also to students from 25 states and 35 foreign countries. The rationale for extending service to students beyond the three county area, is that a critical mass of enrollments is necessary to support certain training programs for local residents, and local residents are too few to support them without being augmented by students from elsewhere. Thus, in addition to being able to offer sophisticated training to local residents, the importing of students and creation of on-the-job training opportunities has rendered the college the second largest employer in the three county area.

The college enrolls approximately 3,250 full-time students, of whom only 30% are from the three county area. These counties are in the Appalachian area of southeastern Ohio (Athens, Hocking and Perry Counties).

The college was chartered by the Board of Regents of Higher Education in Ohio in 1969. It is located just outside the community of Nelsonville in Athens County. As a two year technical college, it operates under the guidelines of the Ohio Board of Regents; however, it is an independently state assisted college administered by a local Board of Trustees. The Board of Trustees includes two representatives appointed by the Board of Education of each of the three counties in the official service area of the college. Also, three members are appointed by the Governor of Ohio.

The curriculum includes training and technologies in business which includes hotel and restaurant management, culinary arts, accounting, financial management, computer science and secretarial management. In industrial technologies, the college offers automotive service management, electronics, broadcasting, drafting and design, petroleum management and heat processing. In the public service sector, the college offers corrections, police science and crime lab methodologies. In the health care technologies, it offers career ladder nursing, emergency medical technology, medical assistant records and health care review, dietitics and fire and emergency services. It offers a unique natural resources curriculum which includes agricultural production, environmental and industrial protection technologies, recreation and wildlife, forestry management, and timber harvesting.

A college publication described the student population as follows: Seventy-six percent of the students are full-time and 24 percent are part-time. Sixty-six percent of the students are 16-23 years of age, 31 percent are over 27 years of age. The over 27 years of age group is increasing. Fifty-three percent of the students are male; 47 percent are female. Forty-six percent of the students live within commuting distance of the college. In the various technologies, the percentage of student enrollment is 26 percent in the allied health technologies, 23 percent in the natural resources, 29 percent in business, 8 percent in public service and 15 percent in engineering. (1:p.2-3)

It was indicated that the success of the college, development of its broad curriculum, and development of the training business enterprises is, in part, a function of the Ohio system of governance of technical colleges. The system subscribes to a high degree of autonomy for the local governing boards. Thus, local autonomy may have allowed Hocking Technical College to pioneer many strategies and to develop programs that might not have been possible in a system with more central authority.

The Problem

Relative lack of employment opportunity and the need to create effective training programs for students of the three county area comprised the major job training problem for the college. The local student population was not sufficient to provide the critical mass necessary to sustain the varied programs needed. Further, local businesses were not sufficient to provide appropriate on-the-job training experiences.

Goals

The essential goal of the technical college is to meet the educational needs of the immediate service area while attempting to meet the general educational needs of other populations and regions in Ohio. In this regard the college has played an important role in not only offering technical education to high school graduates of the area, but also by offering seminars, outreach programs for specific skills mastery, and adult retraining programs in response to needs in business, industry and the larger community as well. Since the tri-county area cannot provide sufficient alternatives for placement of students in various kinds of technologies, the college has made a conscious decision to play a leadership role in developing new businesses and industries within the area.

Solutions/Strategies

The college has made a conscious decision to experiment, develop and promote new and innovative types of businesses and industries. For example, it has decided to own and operate a motel within the area (the only one within the area), in order to not only train students in hotel and food management, but also to provide a genuine hotel and banquet and restaurant service to neighboring towns and counties. It has adopted a strategy of developing businesses that will attract students from other parts of Ohio, other parts of the United States, and from foreign countries. The forestry program, under its natural resource curriculum, has attracted the support of the United States Park Service and other state park services such as Maine and California for training their employees at Hocking Technical College. By exporting education, the college can then also effectively operate in the three county area. Without the exporting of education, the three county area could not support the college. The technical college appears to have tremendous support by the local communities surrounding it. Many of the communities will conduct their community meetings and Chamber of Commerce events at the college motel and also use the facilities of the college.

Hotel. The largest on-the-job training program that Hocking has is hotel/restaurant management. Here, the college runs the Hocking Valley Motor Lodge which essentially is a fully operational motor lodge that operates a 40 guest room hotel with meeting rooms, a restaurant, and a 400 seat banquet facility. This motor lodge specifically serves the areas and communities surrounding the college and provides service to the community. The college hotel/restaurant management program is actually operated, for the most part, by the trainees in the two year degree program. At any one time, from 60 to 80 percent of the hotel/restaurant staff will be the trainees themselves. The staff of the hotel also serve as instructors of the program. During the six year history of the hotel, it has managed to make a profit only twice. The administration emphasized that the major purpose of the enterprise is educational, although it works hand in hand with attempting to make the hotel a viable service industry to the community. Approximately 40 students go through the program every year with the first year of the program concentrating on restaurant management and service and the second year concentrating on hotel management. Presently, placement for career opportunities upon graduation was reported as very successful, as there has been a national surge in the hotel and travel business. Also included in the educational operation of the hotel is a culinary arts program in which students prepare various types of menus that are subsequently used in the hotel restaurant.

To the knowledge of the administration, no other college in the United States has this type of hotel. Other institutions of higher education may operate hotels, but these are used for the university communities themselves and for housing participants in continuing education programs. However, this hotel is specifically designed to serve the surrounding community to provide on-the-job training experiences.

Natural Resources. Another program that has proven unique is a Natural Resources Program that includes timber harvesting, lumber grading and sawyering. A 36 week program provided students with training in the several phases of timber extraction. These include sales, operation and maintenance of equipment, and repair of hydraulic systems and mechanical systems. A certificate is available, and it is the basis of an associate degree in timber harvesting and tree care. It is one of perhaps three such programs in the eastern half of the United States. In addition, the program includes courses in tree climbing, tree care, tree care equipment operation, and others. (2:p.3)

Another aspect of the program in Natural Resources is the one for lumber sawyers. It features hydraulics, sawmill mechanics, sawmill equipment operations and more. Sawing time for the students is an essential part of the program. The sawmill belonging to the college operates occasionally as a business having contracts with area sawmills. The Hocking Tech sawmill performs work which cannot be handled by the local commercial sawmills. (2:p.4)

Ceramics. Hocking Tech has a two year degree program in industrial ceramics. Students are trained in an industry which makes dinnerware, heat resistant tiles, and sewer pipe. They work in labs and learn to use thermal gradient furnaces, carbon determinators, electron microscopes, and fuel calorimeters. In so doing, students may be testing ceramics materials for producers. In addition, students manufacture products and they sell them, wholesale and retail, to local markets. (2:p.4)

Economic Impact of Hocking Tech and Other Outcomes

Hocking Technical College is a major economic contributor to the area it serves. In this regard, the institution may be considered a job creating phenomenon because it draws students from so far afield. The money the students spend in the area accounts for the establishment and maintenance of a great many jobs. It is estimated that between 1977 and 1981 over $113,000,000 were added to the local economy because of college and student activity. The local economy realized about $1,125 in 1981 for every student enrolled. In the year 1981-82, about $4.7 million was spent on salaries and benefits of college employees. Approximately $2.2 million in 1981-82 was added to the local economy for some form of local housing for the student population. The college has also purchased supplies and contracted services from the local community at the rate of about $1.9 million from 1980-1982. About one percent of the college employee income finds its way into savings plans in local financial institutions such as credit unions and banks in the three county area. The college employs 235 people and places many of its graduates in the three county area. In the past five years, this latter employment has put $2.5 million into the local economy. (1:pp.1-5) It is emphasized that the college is a major employment creator because it brings in revenue from outside the immediate service area, much of which revenue is spent locally. Further, its economic impact may be greater than that of other rural two year colleges because it has created programs which most such institutions would not have the clientele to sustain, and has done so by attracting additional, non local clientele.

The administration of the college stated that approximately 80 to 92 percent of its students are successfully placed. However, because of an employment lag in high tech jobs in the tri-county area, many graduates have been unable to find work in their field locally. Approximately 24 percent of those completing their training are placed in the tri-county area. The vast majority of those placed find work in other parts of Ohio while others find work out of state.

In addition to placement rates and local economic impact, another criterion for success is the very existence of certain training programs. Because it was a goal to establish, among others, programs which required great numbers of students, that effort may be defined as successful because the programs exist and are serving the residents of the tri-county area (and others).

Additional observations were made regarding the attempt to conduct a CETA training project in 1981. It was an attempt at a special 10 week program to serve 83 CETA eligible enrollees with training. Attempts to serve the CETA enrollees showed that from 20 to 23 of the 83 received some kind of employment after their training. Administrators of the project indicated that there was substantial difficulty in serving the CETA population. The problems which this population brought to the special training situation (emotional, health, transportation) were notably greater than those of the high school graduates who were eligible for regular admission to the technical college. In a region where there was already 13 percent unemployment, placement of the CETA enrollees was especially difficult. It was stated that the college would be more successful at training the CETA population if there existed more supportive social and educational services in the area.

Projecting the Future

In projecting the future, the administration believes it must continue to expand and experiment in the development of new industries. One such industry is the use of compressed natural gas as an alternative form of energy for automobiles. The staff and students are experimenting with this technology in hopes of improving it and making it a profitable energy source option. The administration also wants to expand its capacity to assist students in developing their own businesses and corporations. This is expected to result in the expansion of the local economy as well as in the development of future internship opportunities for new students. The college is also looking forward to planning more customized training and technical experiences for the students. They are experimenting with an educational modality called PACE (Personal Accelerated Career Education). This allows students to enter into learning experiences individually customized to their own technical training needs. It is anticipated that this will allow more students to enter the technical training programs.

More linkages to the local business and industry system within the three county area are planned. An example of this is the development of an integrated computer system design for local businesses which presently cannot afford computer systems. The college also intends to expand in the travel and tourism area. They are planning to develop travel service businesses in connection with the operation of the hotel.

Advice to Those Facing Similar Problems

The administration shared that two factors were important in the success of the college. Firstly, a group of people was willing to do something different and willing to risk failure. Secondly, there was a general feeling of optimism within the college organization and a belief that one's attempts at providing training and education would ultimately succeed. Thus, the advice implicit here is that such efforts should allow for failure as well as for success and that optimism should prevail.

The Setting

The three county area is very rural. It is part of an Appalachian region that is not amenable to large farms. Rather, it has an economy in which the major industries are state government agencies (i.e., state parks, hospitals and mental institutions) and two institutions of higher education, Ohio University and Hocking Technical College. The latter constitute the major employers of the area. Other industries include forestry, ceramics and some mining and manufacturing.

Roads in the area are not substantial and would not support a strong manufacturing base. Access to the area was reported as marginal compared to other parts of the state, but it was reported also that there is some attraction for tourism and travel. Public transportation is available although not extensive.

The largely white Appalachian population of the area has its industrial roots in mining, and the industry has never recovered from the Depression. The point at which mining was at its height as a strong economic factor was in the 1920s. One observer indicated, however, that some local residents still expect the mining industry to recover and to return to its heydey of the 1920s.

As indicated by the data which follow, the largely rural population has a rather low rate of high school completion among its adults.

	Athens Co.	Hocking Co.	Perry Co.
• Total Population[3]	56,399	24,304	31,032
• % of Minority Population[3]	3.8%	.8%	.6%
• Rate of High School Completion for those 25 yrs. of Age and Older[4]	67.9%	60.6%	60.9%
• % of Rural Population[4]	56.9%	73%	74.4%
• Per Capita Income[4]	5,091	5,665	5,436
• % of Acres of Farmland[5]	25.6%	24.7%	43.4%
• Unemployment Rate[4]	9.1%	9.6%	10.8%

The rate of high school completion has implications for the success of future economic development efforts in the area and for the future role of the college.

A general strength of the area is its potential for the expansion of tourism and travel, as several state parks are located in the area. The hills and valleys are very attractive for camping, hunting and fishing. In contrast, the area has weaknesses found in much of Appalachia in that the infrastructure is not strong and is not supported by a strong tax base. Government services are minimal. Although the local school systems are perceived as being very good, they suffer from low tax support. It was reported that the local public schools prepared students well for entry into the technical college. With the exception of the possible expansion of educational programs by Hocking Tech and the potential for travel and tourism, it is not anticipated that there will be extensive expansion of industry within the three county area.

Contacts

The people interviewed during this site visit were Hocking Tech employees. These were Roy Palmer, Vice President, Administrative and Special Services; James H. Patrick, Assistant to the President for Business Operations; Bonnie Prince, Dean of Alternative Education; Judy Sinnott, Public Information Officer; and John Light, President.

Summary

Hocking Technical College, because of the need for a critical mass of students to operate certain programs, had to attract students from far beyond its official three county rural service area. It did so by offering innovative and relevant programs and by establishing local opportunities for on-the-job training, which opportunities are often not available to rural areas. Risk taking and optimism pervaded the development of new programs, and local autonomy in the Ohio technical college system was said to have enhanced the opportunity for experimentation.

The college has a high placement rate among its graduates, and has become a dominant industry in its service area. Economic development leadership appears to be continuing in the form of plans for the future.

Notes

[1] *The Educational and Economic Impact of Hocking Technical College on the Geographical Area it Serves*, Nelsonville, Ohio: Hocking Technical College.

[2] *Hocking Technical College - Book "C" 1982-83*, Nelsonville, Ohio: Hocking Technical College.

[3] U.S. Department of Commerce, Bureau of the Census. *1980 Census of Population, Volume 1 Characteristics of the Population, Chapter B General Population Characteristics, Part 37 Ohio*.(Washington, D.C.: U.S. Government Printing Office) August 1982.

[4] U.S. Department of Commerce, Bureau of the Census. *1980 Census of Population and Housing, Supplementary Report, Advance Estimates of Social, Economic, and Housing Characteristics, Part 37 Ohio*. (Washington, D.C.: U.S. Government Printing Office) February 1983.

[5] U.S. Department of Commerce, Bureau of the Census. *County and City Data Book 1977, A Statistical Abstract Supplement* (Washington: D.C.: U.S. Government Printing Office) May 1978.

Note: Percentages for minority and rural populations were derived.

Training for Farm Workers
Belle Glade, Florida

Case Report by
Anthony J. DeLellis
Field Researcher

Synopsis

In this program, upgrading of farm worker skills is provided through cooperation among growers, a major university, a community college, and a local school board. It is located in Belle Glade, Florida, and is a cooperative venture among the Cooperative Extension Service of the University of Florida at Gainesville, Palm Beach Junior College, and West Technical Education Center. The program serves a multi-county area, although most of the service is rendered in Palm Beach County. The county was described as one of the largest, geographically, in the United States, and as being first for total value of agricultural sales in vegetables and sugar cane for the State of Florida. The program under discussion is one in which upgrading training is provided to farm workers of large agricultural corporations and cooperatives.

In this program, the Extension Agent of the University of Florida acts as the assessor of training needs and as the broker of training services between West Technical Education Center and the growers. It is the growers, frequently in concert with selected employees, who determine the training needs. Also, the growers almost always pay the tuition of the farm workers who receive the training. Training is held at the Technical High School, at Palm Beach Junior College and in the fields or other appropriate on-site locations.

Among the notable characteristics of this program is the extent to which cooperation among several large organizations, public and private, is apparent. Further, the relationships among the institutions and the approach to the problem are neither complex nor cumbersome. They tend to depend upon, in the case of the public agencies, non-financial agreements, and in the case of the relationship between public and private agencies, both financial and non-financial agreements. In all cases, however, face-to-face communication appears to be the normative communication style, and was noted as a key to the success of the program. Further, an advisory council with an informal role and an informal approach to what may be called floating or ad hoc membership, and composed of public and private organizations, provides informational support and advice to the representatives of the University of Florida and West Technical Education Center.

Overall Description of the Program

Several large organizations are involved. Descriptions of each, as regards this project, follow:

Cooperative Extension Service, University of Florida at Gainesville. Under a grant from the U.S. Department of Agriculture, the Cooperative Extension Service provides a full-time training coordinator housed in the office of the Belle Glade Palm Beach County Extension Service, Florida. The primary responsibility of this individual is the development and coordination of the training programs. In addition, she is responsible for gathering data for the research aspects of the program. She is responsible for establishing and maintaining relationships sufficient to conduct and expand the program, and these relationships include those with the agencies and organizations below. The role of the Cooperative Extension Service, in this program, is one of facilitation and research, and does not include funding of training programs. It was stated further, however, that faculty of the University of Florida frequently donate curriculum for various training programs. Many of the short courses are offered by the university.

West Technical Education Center (West Tech, Palm Beach County, Florida. The role of West Tech in this program is to provide training to farm workers. West Tech is responsible for developing curriculum and for providing instructors to train farm workers, through short-term training courses, in skills specifically designed to enhance their capacity on the job. These classes are provided in a variety of locations. Sometimes, training programs are offered in the fields, in actual employer owned workshops and repair shops, in employer owned classrooms, and in a combination of these settings. More often, instruction is provided at West Tech or elsewhere. The nature of the training is generally what determines the location.

Acting as the liaison for West Tech is an occupational specialist. For the purpose of this program, his role is to work with the training coordinator of the Cooperative Extension Service, with the growers, and with others, including the Farm Crafts Advisory Committee and Palm Beach Junior College.

Tuition is paid to West Tech by growers who refer their employees for specific training. In addition, the Florida State Department of Education provides funds to West Tech based on a formula of full-time equivalency for adult students.

Palm Beach Junior College. The role of the college is growing, especially in regard to providing basic academic courses in this program.

The Farm Crafts Advisory Committee. This committee is composed of representatives of public and private organizations. The membership of the organization is informal in that there are no specific criteria for membership. Thus, depending upon the issues at hand, membership may ebb and flow during the course of the year. It was noted, however, that the larger growers tend to be measurably more active than small farmers. It was stated that small farmers, despite consistent invitations to do so, have not participated in Committee activities. Some, however, would respond to written requests for written information. It was stated that early meetings of the Committee included representatives from the local CETA organization, representatives of migrant workers associations, educators and a few growers. It was stated further, that the public agency representatives tended to drop out of participation, leaving the Committee to be attended generally by large growers.

The role of the Committee is to provide advice to both the job training coordinator of the University of Florida and the occupational specialist of West Tech.

Large growers, largely sugar cane growers, often act independently of the Advisory Committee and deal directly with the training coordinator of the University of Florida. It was noted that this direct method of communication resulted in the development of more short courses than did decisions from the Advisory Committee; however, there appeared to be no suggestion that the general policy and direction setting qualities of the Advisory Committee were not considered valuable.

There appeared to be no single agency or organization responsible for the success of the program under discussion. Rather, all those listed above appeared to be essential. It should be emphasized, however, that personal contact and rapport rather than institutional structure were cited as the major factors leading toward success.

The Problem

From the point of view of the growers, the problem is that there is a continual need to upgrade the skills of employees. As farming becomes more technologically intensive, the need for more highly skilled employees increases accordingly. From the point of view of the farm workers, the problem, it is speculated, is similar in that those who elect and are able to be involved in the maintenance or operation of complex technology have a continual need to have their skills upgraded. Further, as job ladders, and therefore differentiated staff skills emerge in agriculture, there is a need for supervisory and management staff to employ increasingly sophisticated techniques.

Goals

There are several points of view regarding the nature of the problem, all of which merge in the need for increased training of farm workers; however, the University of Florida's proposal to the U.S. Department of Agriculture which provided the funding for the project cited the program objectives as follows:

1. Initiate and carry out a program of education and applied research in agricultural personnel management in the pilot area.
2. Marshall and coordinate the resources and dedication of the several agencies and organizations in the area in the farm labor skill training program.
3. Evaluate the program and develop training materials to demonstrate the usefulness of this methodology in other states and regions (1:p.3).

Solutions/Strategies

The overall strategy of the program is to create a network of communication among educational institutions, growers, and representatives of organized labor for the purpose of instituting training programs and apprenticeships. The training programs range from two nights in length to seven weeks in length, and usually meet twice per week during the evenings. Exceptions to this are made as the curriculum demands. For example, an afternoon training program for field operation supervisors was observed. They had been working in the fields in the morning, and the afternoon instruction was done in a classroom at the work site.

A brochure for the classes offered during the period January, 1983 through March, 1983, listed the following courses: tractor driving; truck driving; farm equipment operation maintenance; electrical ignition systems; industrial refrigeration; diesel fuel injector pumps; conversational Spanish; secretarial office practices; advanced security guard; and cardiopulmonary resuscitation (2:p.2). Some of the same courses were listed in the Spring, 1983 brochure; however, additional courses were caterpillar diesel engine 3306; improving basic supervisory management skills; land preparation; tractor driving - beginning; tractor driving - advanced; truck driving - beginning; and truck driving - advanced (3:pp.2-4). The Summer, 1983 brochure listed many of the same programs; however, those not listed previously included basic hydraulics with troubleshooting; diesel engine 6.2 litre GM; basic security officer; upgrading agricultural truck driving; upgrading agricultural tractor driving; and vegetable crop science (4:pp.2-4). Fees are generally $13 per person per course. It was reported that these fees are generally paid by the growers who refer their employees to the courses. Some farm workers, however, initiate their own entry into courses and pay their own fees.

The strategy employed here is straightforward in that it attempts to create a situation in which employees may maintain employment by upgrading their skills. This precludes the necessity to bring in additional employees as technology increases. Thus, two side effects of increased technology are avoided. The first is the layoff of existing employees and the second is the failure to be promoted of existing employees who are not laid off. Rather, this program enables employees to increase their skills, maintain employment, and/or obtain promotions. (It was not claimed that the program helped to avoid seasonal layoffs.)

Key Agencies Involved and Their Roles

The primary agencies involved were listed previously. It may have been noticed by the reader that classes generally are conducted by several agencies, not just by the University of Florida, raising the question as to the necessity of the latter in the network. The question was raised during the course of research and the response was that the University of Florida was able to provide an individual who would devote her undivided attention to the project, whereas another institution, particularly one of the local educational institutions, might not be able to do so. Further, it was stated that the prestige of the University of Florida was instrumental in obtaining the attention and eventual cooperation of many of the large growers. As a reminder, the respective roles of the agencies were as follow:

- The University of Florida, Cooperative Extension Service, obtained a grant from the United States Department of Agriculture in order to provide a job training coordinator for this research and development project.

- West Tech provides facilities and equipment and, when appropriate, instructors.
- Palm Beach Junior College - Glades provides, when appropriate, facilities and equipment.
- The Farm Crafts Advisory Committee provides advice on policy direction and training needs.
- Individual growers provide advice on training needs.

A critical development in the course of the program was described as the pending cooperation between those listed above and organized labor in apprenticeship programs. At the time of the conducting of the on-site interviews, the details of the agreement were not complete; however, it was reported that ultimate agreement was likely and that the apprenticeship program would be underway shortly thereafter.

Critical Steps in Implementation

Notable milestones in the development of this program were as follow:

1. *Establishment of relationship between the University of Florida and West Technical Education Center.*
2. *Obtaining of funds, by the University of Florida, from the United States Department of Agriculture.*
3. *Placement of a full-time individual, by the University of Florida, in the Belle Glade area.*
4. *Focusing the attention of the Farm Crafts Advisory Committee on the problem of brokering services between the growers and West Tech.* (The Advisory Committee existed prior to the funding of the proposal. It was established previously by C. D. Covey of the University of Florida.)
5. *Brokering of services between growers and West Tech by the University of Florida's training coordinator in Belle Glade.*

The lead agency in this undertaking was the University of Florida, Cooperative Extension Service. It was emphasized, however, that success would not have been possible without West Tech and the Advisory Committee.

Outcomes

During the past four quarters, approximately 450 people were served as trainees. These were described as largely having been field workers between the ages of 30 and 40, generally white, with some Jamaicans and Haitians, and generally male. Success may be measured in terms of pre-training skill levels and post-training skill levels of individuals; however, at a more macroscopic level, success may be a function of grower and farm worker affinity for the program. It was reported that offerings tended to increase each quarter and it was reported also that the number of organizations involved continued to increase as well. Thus, it may be concluded that those who participated in the training perceived it to be successful. Further, it was reported that, although there was no universal formal structure in place, there tended to be pay raises accompanying increased skill levels. It was reported that in the case of the proposed apprenticeship program, pay raises will be part of the formal structure. Finally, it may be appropriate to assume that those whose skills were increased were afforded an additional level of job security and stability. This, in addition to any benefits accruing to the growers.

Projections for the Future

The primary goals for the future include development of the apprenticeship program and the expansion of existing programs. Specifically, there will be a continuing attempt to attract additional growers to the program.

Advice to Those Facing Similar Problems

Two themes emerged as a result of the several interviews conducted on-site. Both were explicitly stated on numerous occasions. The first was that the project could not be developed and maintained without the services of a full-time staff person. It was emphasized that the attention of this individual could not be divided among these and other duties.

Stated also was that the individual whose time is devoted to the project should be a representative of a respected organization. It need not be a university, but must be an organization which is highly credible to those who would be served.

In addition to the two major themes above, it was suggested that one not expend massive amounts of energy in attempting to attract small farmers to the program initially. It was noted that large growers rather than small farmers were the mainstay of the program. It was not suggested that obtaining small farmer participation was impossible, only that it had not taken place in the Belle Glade project and that it might be difficult in other projects as well. It was speculated that the type of specialized training offered by this program is appropriate only for those corporations large enough to have highly diversified specialists in its employ, a situation not usually existing on small farms. That this was speculative, is emphasized.

The training coordinator emphasized that the establishment of a sound root system or network base was critical to the success of the program. This network of institutions, she indicated, was largely a function of personal contact. She stated that, depending upon the season, the number of monthly personal contacts would range from approximately 1[illegible] to approximately 430. It was pointed out that these contacts were not necessarily with different individuals in each case. Rather, they represented the total number of interactions during the course of a month, regardless that most individuals had more than one contact. In illustration, she recorded 196 interactions in July, 1983, with a total of approximately 10 people.

The Setting

The two counties in which the program operates are Palm Beach County and Hendry County; however, approximately 80% of the work of the program is done in Palm Beach County, particularly in the Belle Glade area.

Some basic data for these counties are as follow:

	Palm Beach Co.	Hendry Co.
Total Population[5]	576,863	18,599
Rate of Minority Population[5]	18.4%	31.4%
Rate of High School Completion for Persons 25 Years of Age and Older[6]	70.7%	50.5%
Percent of Rural Population[6]	7.1%	57.6%
Percent Acres of Farm Land[7]	40%	86.9%
Per Capita Income[6]	9,017	5,783
Unemployment Rate[6]	3.9%	5.1%

The contrast apparent above is notable. As stated before, however, most of the work of the program is done in Palm Beach County and the discussion which follows reflects this.

Vegetable and sugar cane production constitute the economic base for a major part of Palm Beach County; however, it is one of the largest counties in the United States and the diversity of the economy is substantial. Specifically, two cities exist within the borders of Palm Beach County. One, West Palm Beach, has an industrial base and contains an international airport. On the other hand, Palm Beach is a major tourist and retirement community in the United States.

Farms in Palm Beach County tend to be rather large in that there are approximately 20 large corporations (over 200 employees). One corporation was described as employing over 2,500 people, with increases and decreases depending upon the season. Many of the nonmigratory employees of the farms commute to the Belle Glade area from the cities, a distance of between 40 and 45 miles one way.

The infrastructure was described as adequate in that Florida has had a long standing history of water management; however, roads were described in variable terms, depending upon the section of the county under discussion. Most of the farm goods are transported by truck, but some by rail; the international airport provides additional access to the area; and for commuting the distance between the cities and the adjoining farms, many of the large growers provide bus transportation. In addition, there is a publicly owned commuter bus which runs approximately every two hours.

Among the strengths of the area are the existence of aggressive water and soil management and the existence of muck soil. Muck soil was described as being essential to the growing of sugar cane. It was noted, however, that it is fragile, being only one foot in depth and subject to annual subsidence (compacting and oxidation).

A notable weakness in the area was described as road maintenance. An indicator of an additional weakness may be the practice of the local school board to pay a bonus to teachers who would reside in the area rather than commuting to it. Further, even those teachers who elected to live elsewhere and commute were paid a travel allowance beyond their salary. All this suggested that the quality of life in the Belle Glade area might be less than desired by many, and that the school board policy constituted an attempt to lure teachers to work and/or reside there.

Contacts

The following people were interviewed for this research:

Paula E. Gigliotti
Extension Agent I
Personnel Management
(referred to in this
report as training
coordinator)
Palm Beach County
Extension Service
2976 State Road 15
Belle Glade, Florida 33430

Jerry V. Gummere
Director of Purchasing
South Bay Growers, Inc.
P.O. Drawer "A"
South Bay, Florida 33493
(Mr. Gummere is also Chair
of the Farm Crafts Advisory
Committee)

Wayne Wilkins
Occupational Specialist
West Technical Education
Center
2625 State Road 715
Belle Glade, Florida 33430

Charles D. Covey, Professor
Dept. of Food & Resource Economics
University of Florida at
Gainesville
Gainesville, Florida 32611
(Dr. Covey was not interviewed on-site. Rather, he was interviewed by telephone on several occasions and in person in Washington, D.C..)

Summary

This project features large scale cooperation among public and private sector agencies, including a local public school, a junior college, a major university, a county extension office, large farming corporations and, potentially, organized labor. Training needs, as perceived by growers, are addressed by the educational institutions. Funding for the training coordinator is provided by a U.S. Department of Agriculture grant to the University of Florida, tuition fees are paid to West Tech by the growers, and an allotment, based on a formula of full-time equivalency in adult education, is provided to the local school board by the State Department of Education. Despite the large number of organizations involved, the relationships remain fairly simple and straightforward. It appears that the one most critical element in the program is the functioning of the training coordinator provided by the University of Florida. All interviewed stated that in the absence of such a contribution, the enlistment and coordination of so many large organizations over so broad a geographic expanse would not be possible.

Notes

[1] C. D. Covey, Personnel Management and Skill Level Training for Employers and Employees, A Pilot Project (a proposal to the United States Department of Agriculture), Gainesville, Florida: Cooperative Extension Service, University of Florida, February 12, 1981.

[2] From a brochure entitled, Ag. Short Courses (tentative classes for January - March, 1983), offered by West Technical Education Center and Palm Beach Junior College - Glades, participating in the Intensive Skills Training for Agricultural Needs program sponsored by the University of Florida Cooperative Extension Service.

[3] From a brochure entitled, Agricultural Short Courses (undated; however, its author described it as the Spring, 1983 brochure), offered by the University of Florida Cooperative Extension Service, in cooperation with West Technical Education Center and Palm Beach Junior College - Glades.

[4] From a brochure entitled, Agricultural Short Courses (undated; however, its author described it as the Summer, 1983 brochure), offered by the University of Florida Cooperative Extension Service, in cooperation with West Technical Education Center and Palm Beach Junior College - Glades.

[5] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population, Volume 1, Characteristics of the Population, Charter B General Population Characteristics, Part II Florida (Washington, D.C.: U.S. Government Printing Office), August, 1982.

[6] U.S. Department of Commerce, Bureau of the Census. 1980 Census of Population and Housing, Supplementary Report, Advance Estimates of Social, Economic, and Housing Characteristics, Part II Florida (Washington, D.C.: U.S. Government Printing Office), February, 1983.

[7] U.S. Department of Commerce, Bureau of the Census. County and City Data Book 1977, A Statistical Abstract Supplement (Washington, D.C.: U. S. Government Printing Office), May, 1978.

Note: Percents given for minority population and rural population were derived.

The Northeastern California Higher Education Council and the California Work-Site, Education and Training Act

Case Report by
Jim Binder
Field Researcher

Synopsis

This is a report about the Rural Center Project funded through the California Work-Site, Education and Training Act of 1979 (CWETA). Many actors and agencies have been responsible for CWETA's training programs in this vast, sparsely populated, 15 county area. These agencies include community colleges, private enterprises (employers), and regional occupational programs (ROPs); however, a large portion of the report focuses on the Northeastern California Higher Education Council's (NCHEC) role in making it a rural success.

Description of the Program

The California Work-Site, Education and Training Act was signed into existence in 1979, and since that time it has trained and placed some 12,000 workers in areas of high demand: electronic technicians, nurses, machinists and tool and die makers, energy conservation specialists, skilled farm technicians, computer programmers and others. It is different from many other training programs in that the trainee is virtually assured of a job (over 90% placement), because of a prior commitment by private enterprise to hiring them. Most of the participants receive training in skills related to their work so they can take a higher, more skilled position in the organization where they are already employed. This, however, creates an opening in the position they vacate, and CWETA then works with private enterprise to fill these. The employers of the workers provide much of the training on the job, and the major function of CWETA is to assist them in developing and implementing a worker-needs related training program.

According to CWETA literature, over 2,500 employers have helped train the twelve thousand plus workers. Because of the cooperation of private enterprise, CWETA training costs are low - $2,507 per participant. One reason for the relatively low cost may be because CWETA uses existing facilities, such as schools or hospitals, as training facilities. Moreover, employers receive no reimbursement for wages paid to trainees. Trainee stipends and time off from work for training purposes are kept to a minimum. There is little additional administration.

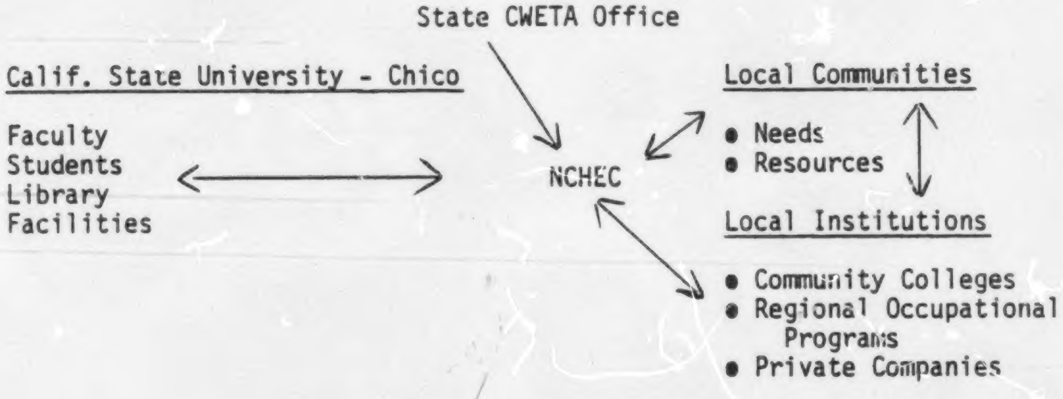
According to CWETA's State Director, the long run concern is to create permanent networks between community colleges, private enterprise and labor unions committed to training and work upgrading. Indeed, this program has many advantages to different groups - the trainees/participants, the employers and the administering agency or agencies. For the participants, there is a guaranteed job in their chosen area of expertise. For the administering agency, there is guaranteed program success through pre-determined placements. For the employer, there is the opportunity to keep good employees while using their talents more creatively. There is a savings in time and money since their major expenditure is in release time. But most important, the employees benefit through a better use and planning of human resouces and increased employee morale due to greater opportunities to upgrade skills and become promoted.

In 1982 a CWETA training center, the Rural Center Project, was established through the cooperation and administration provided by the Northeastern California Higher Education Council (NCHEC). Located in Chico, California, this latter organization has a policy board consisting of seven community college presidents and the President of California State University, Chico. With its eleven year history as a program development center, and drawing on previously existing experiences in economic development and manpower training and educational planning, NCHEC was a logical choice for facilitator for the rural center. There was no other regional institution or framework that could determine needs and coordinate resources on a regional basis. CWETA initially allocated $500,000 for a two year period to train and place approximately 130 workers. Since then, their funding has increased and they will train and place 250 workers. Some eight projects have been established in the areas of electronics, health care and farm worker upgrade or entry level training. Several others will begin later this year.

These projects are the direct training responsibility of local institutions such as community colleges and regional occupational programs (ROPs). The ROP is a State Department of Education program in occupational training, mainly in high schools. The community colleges in California are located everywhere there is enough education demand. Funded locally, they are absolutely tuition free. With over 110 in existence, they have been a major factor in adult education in California. In northeastern California there are seven community colleges.

The Northeastern Higher Education Council (NCHEC) acts as a "broker," working between the state office and the decentralized projects, the community colleges and the various communities. This coordinative, planning and broker relationship can be seen in the following chart.

The CWETA Rural Project


State CWETA Office
Calif. State University - Chico
Faculty
Students
Library
Facilities
NCHEC
Local Communities
• Needs
• Resources
Local Institutions
• Community Colleges
• Regional Occupational Programs
• Private Companies

Adapted from interview with George McIntyre, Executive Director, NCHEC.

NCHEC is located in Chico because it is in a central location, and also because of the advantages of being able to use the university space and facilities, the library, research resources and data processing. According to the Executive Director of NCHEC, its basic function with respect to the CWETA Rural Project is to develop concepts, work these concepts into programs, implement the programs and ultimately see that those with positive evaluations are institutionalized.

The institutional arrangements made to implement the Rural Project appear to have distinct advantages for everyone. This is very important because developing and implementing training and placement projects in northeastern California is not easy due to some geographic and demographic factors discussed subsequently.

Some Special Problems

The CWETA project must train, provide upgrade opportunities and place workers within occupations or skill areas that are in high demand. This is not easy to do in an area like northeastern California due to its transportation problem, lack of complex business and industrial enterprises, and lack of financial resources. Plant closures in the lumber industry represent a special challenge.

Moreover, according to a former analyst for CWETA (now an Employment and Training Panel planner), it is difficult to sell the idea of training and job upgrading to rural employers. Further, one may have to get many different employers involved in the project in order to have a training class (fifteen participants are necessary to break even). The logistical problems of doing this are difficult.

An additional problem is in funding stability. Some rural CWETA projects have to use a variety of funding sources since private enterprises in this rural area tend not to be inclined to continue financial commitments. They are less able to match funds or make contributions.

The Director of a Licensed Vocational Nurse CWETA supported program in Plumas and Sierra Counties provided insights into the problems associated with developing a rural employment and training project in a rural area. He has to work with the administrators and nursing directors of six hospitals in a large area in order to establish a class of 15 people. Since there are no large hospitals or appropriate expertise in the local community, students have to drive 85 miles to Reno, Nevada for the clinical aspects of the program (more than half of it). Moreover, each rural area has its own hospital run by a board. The Director must work individually once a month with the nursing directors in each of these hospitals, and must use seven different funding services or types of assistance to keep the program going.

Even with the government agencies and public institutions, there are special challenges. There is a problem of coordinating and administering through many different kinds of institutions. Resources, planning and financial, must be combined because no community, even with all its public institutions, has the capacity to deal with all its problems. Thus, each community and its major institutions have to work in concert with other communities through grants, plans, direct communication and politics, to ensure a regional approach that begins to meet Northeastern California's special training and economic development problems.

Goals: CWETA, the Rural Project, NCHEC and Other Agencies

Not only are the problems in training multifaceted, but so are the goals of the actors involved in the CWETA process.

State CWETA goals are to provide training for workers and to place them in areas of critical need, including electronics, health, skilled crafts, agricultural and others. A goal also is to facilitate the use of private enterprise resources in order to provide internal upgrading opportunities for their employees. According to the administrative regulations (California Register 80, No. 11-3.p.76 154.13), work-site training means training provided by an employer to persons hired by the employer as regular employees which meet the following criteria: 1) specifies the occupation and career ladders for which the employee is training; 2) specifies the work processes or job tasks which must be learned in order for the employee to advance to an occupational upgrade; 3) specifies how classroom instruction is integrated into career work-site training; and 4) specifies how the upgrading of employees' job skills will be reflected in increased job proficiency and performance and by regular increases in employee wages and benefits.

The more specific goals of the NCHEC are to provide a planning mechanism and program development center drawing on the resources of the area from educational, training and employing institutions and enterprises. From a broader perspective, its goals can be seen as providing a system for planning and coordinating manpower and economic development needs and resources. It is to provide the impetus for a permanent network among public and private organizations.

The third partners, the projects, are to meet the specific needs of the local communities and private businesses in training and placement. For them, a major goal is to create a system of ongoing programs that promote career advancement for workers within the local community.

Solutions/Strategies

The Rural Project will provide training for approximately 259 people for a period of two and one-half years. It targets employees and employers in agriculture, health and business/consumer electronics industries who face significant barriers to advancement or entry due to inadequate or obsolete skills.

The career paths are all upwards, as illustrated from the following excerpt from the 1983 NCHEC annual planning document.

- College of the Siskiyous Logwood Builders: Displaced worker ⟶ Logwood Trainee (pre-apprentice) ⟶ Logwood Home Builder Apprentice ⟶ Logwood Home Builder (Journeyman)
- Plumas County R.O.P. LVN Training: Certified Nurses Aid ⟶ Licensed Vocational Nurses ⟶ Associate Degree Nurse (R.N.)
- Butte College Electrical Service/Repair Technician: Electrical Tech Trainee (supervised, limited products) ⟶ Electrical/Electronic Service Tech (limited or no supervision, expanded products including electronic components) ⟶ Electronic Service Technician (no supervision, services all products, some training of junior staff)
- Butte College Farmworker: Seasonal Farmworker, unskilled ⟶ Farmworker, skilled, longer season of employment

The cost for each participant varies somewhat, depending on the type of project and the extent of others' contributions. See the figures on the table entitled, Project Details by Line Item: Entry and Upgrade (end of this case report).

These projects may receive other financial assistance as well. For example, the Plumas and Sierra County Licensed Vocational Nurses project has received funding or in-kind support from CWETA, Feather River College, county offices, employers, CETA and others.

Local Site Strategies and Solutions: The illustration here will be a Licensed Vocational Nurses (LVN) project in Plumas and Sierra Counties. The administrating agency is the Regional Occupational Program (ROP) of Plumas and Sierra Counties. The staff of the ROP develops the instructional materials, and is responsible for the direct administration of the training project. The ROP hires the instructors, screens the candidates, assesses the work experiences, and selects, orders and provides schedules of classrooms. But it contracts with Feather River Community College to provide space, tests, and remediation when necessary. The ROP contracts with a hospital in Reno, Nevada for a large portion of its classes. Finally, ROP staff do the public relations work and seek county board of education support for the instruction.

The employers adjust work schedules of nurse assistants to allow proper release time. They provide paid release time. They then hire at entry level or upgrade level all participants who successfully complete the program and obtain licensure from the LVN Board of Examiners.

NCHEC Strategies and Solutions: While much depends on the project, there appear to be two sets of strategies. Training/economic development strategies include getting employer commitment (according to the Director, the first in importance), developing program plans and ideas, helping build local capabilities, providing technical assistance, and developing training modules. Council strategies are to create a network of institutions and businesses, and to provide services to their community college clients. There is an overall effort to maintain a program development center which is then able to go after a multiplicity of funds from a variety of sources.

The State Office of CWETA: The final arbitrator in the whole process is the state office, which has the sign-off authority for the funds. It must monitor projects within the framework of the law and, of course, deal with the political environment in Sacramento, the state capital.

Problems, Challenges and Suggestions

As it now stands, CWETA has a questionable future. Although it has received bipartisan support, its funding will end at the end of FY 84, and no additional project funds are available currently. However, under another piece of legislation, job training programs are being created exclusively for Unemployment Insurance beneficiaries and others facing occupational displacement. This new program is being administered by an Employment and Training Panel. It emphasizes meeting employers' needs for skilled workers. CWETA could become a program under the auspices of this legislation and under this framework. However, since CWETA provided upgraded work opportunities for people already working, its role could become limited and some projects, like nursing, could be left out.

The State Director of CWETA has suggestions for any other state interested in the project. These are:

1. Do not make it a program exclusively for the disadvantaged since this could destroy it. It would make it difficult to get employers involved in the program. Employers should be involved in the screening process.

2. It is important to push for matching funds from employers so they make contributions in terms of equipment or other needs. This obligation must be made very clear.

3. Do not push for too much uniformity. Allow for considerable program flexibility and individuality; and for flexibility in policy interpretation.

4. Be wary of administrative resistance in programs that do the training, such as colleges.

5. Make sure there is a real upgrade in positions, not just on paper. Promotion should be reflected in new responsibilities and pay and benefit increases.

6. Establish networks of private businesses, educational/training institutions and labor that will endure. This is the most important!

7. Do not use a Request For Proposal process; try to seek out the best people or institution for the project.
8. Try to get money from a special fund instead of from a general fund so that the program does not become susceptible to general budget cuts.

In terms of rural projects such as those in Northeastern California, the former analyst with CWETA and consultant with the Employment Training Panel has the following suggestions:

1. Relax standards in the rural area; give them more funding and flexibility.
2. Don't restrict the rural portion of the programs by indicating that only a certain percentage can be so designated.
3. Write the regulations keeping in mind the special problems that the rural areas have.

NCHEC considers their challenges in the future to be found in maintaining a variety of funding sources and opportunities. Their advice is to be flexible while demonstrating program improvement. Show private enterprise involvement. Be sure to service the needs of the clients (the community colleges mainly, in this case), and build up credibility. They emphasize, as does the State CWETA Office, the importance of networking.

The Nursing Project Director in Plumas/Sierra County also emphasized the importance of building networks. He suggests also that any new state program should not specify in its legislation who should run the program, but rather should see what organization or institution has the best networking skills and potential. Also, training programs should be placed, at least in health care, within the framework of an educational sequence or degree program, either an A.A. or

B.A. Also, one should be wary of institutional resistance to new ways of educating.

The Setting

Northeastern California is a vast area comprised of 15 counties from Sacramento to Oregon. Larger than the State of Ohio, its population is only about 540,000 people, giving it a very low density of population per square mile. Only Redding, Chico and Marysville/Yuba City are urban centers, so it is mainly rural. Largely white, the population also has a growing number of older people. It is an attractive area for retirement due to its comparatively clean environment and many recreational opportunities. Although there is good farm land in the southern valley region, much of the area consists of forests and mountains.

One of the dominating features of the area's social demography is its high rate of unemployment, which stands at 15% compared to the state's FY 1971-72 rate of 7.4%. Due to a lack of demand for housing nationally, a number of lumber mills have closed. Thus, some counties have been harder hit than others. It was reported that Trinity County, for example, has an unemployment rate of 30.2% and others are above 20%. Even so, these figures do not reflect the total reality of unemployment as many who are unemployed are not counted since they do not receive unemployment benefits. (Many may refuse to move because they consider this area a preferable alternative to the faster pace of more urban areas of California.)

The area has some positive developmental advantages and possibilities, however. It has an available source of energy in its forests and water resources. Given a future of scarce resources and changed lifestyles, this area might become a natural attraction for the development of innovative appropriate technologies. From an industrial/technological standpoint, however, there are serious weaknesses, some of these stemming from the aforementioned geographical obstacles. Large corporations are unlikely to readily invest in the area due to the high costs of transportation and lack of available technically skilled employees. Since the population is sparsely distributed, there is little local capital for private organizations and little tax revenue for governmental organizations to accumulate. Governments are small in scale, minimizing the opportunities to do training and economic development planning. The costs of service delivery are high due to transportation difficulties. In addition, one must keep in mind that since Proposition 13, a citizen backed initiative, local governments have been restricted in their ability to increase property taxes in order to raise revenues. Hence, there is little money to develop programs or plans that might assist in getting them out of some of their economic perplexities.

Perhaps the strongest point to be made in favor of the area is that by many indicators and values the quality of life is high. Life is at a slower pace than in the rest of California. There is far less atmospheric pollution, and the landscape is very beautiful. The people are very individualistic.

Contacts

The following people were interviewed in this research:

George McIntyre,
Executive Director
Northeastern California
Higher Education Council
Chico, California

Charlsey Cartwright
Director, State Office
CWETA
Sacramento, California

Ken Speed, Administrative Assistant and Project Director Northeastern California Education Council Chico, California	Bill Rash Consultant Employment Training Panel State Office Sacramento, California
Lily Roberts Project Director Northeastern California Higher Education Council Chico, California	Lorraine Agtang Training Coordinator Manpower Agency Yolo County Woodland, California
Paul Mrowczynski, Director LVN CWETA Training Project Plumas and Sierra Counties Quincy, California	

Summary

This case sketch has placed emphasis on the role that the Northeastern California Higher Education Council has played in making the Rural CWETA Project a success. However, other agencies and institutions have been vital to that success, including community colleges, the private businesses, the local regional occupational offices, as well as the state office of CWETA. The Rural Project has succeeded in terms of its intent. But, it has also succeeded against heavy odds in an area with serious geographic obstacles. NCHEC has apparently provided an important planning and resource coordination network which can begin to plan for future changes in the economy and in manpower needs for the area. The theme emphasized by all the people who were interviewed was the need to develop networks.

For the individual participants, the project has likely had considerable impact. Consider the implications of a farm worker receiving semi-skilled training in farm machine repair or welding. In the words of a former farm worker who now administers the program in Yolo County,

> They change their lives by overcoming some of their insecurities. Now they don't have to go unemployed in the winter, go and ask for hand-outs or go back to Mexico in the winter months. They can keep their kids in school.

CWETA and the Rural Project may have provided new opportunities to the employers. But its greatest importance may be found in some of the individual participants' newly-developed sense of dignity and self-respect.

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PROJECT DETAILS
BY LINE ITEM:
ENTRY AND UPGRADE

PROJECT	Number of Participants Entry/Upgr.	Entry Worksite	Entry Instruction	Entry Retraining	Entry Supportive Services	Upgrade Worksite	Upgrade Instruction	Upgrade Retraining	Upgrade Supportive Services	Total Entry CWETA Cost	Total Upgrade CWETA Cost	Cost Per Entry Participant	Cost Per Upgrade Participant
COS Logwood	22/0		7,977	1,859	6,958					16,794		763	
Plumas LVN I	9/6		26,725		549	22,267	17,122		1,647	27,274	41,036	3,030	6,839
Butte Electronics	0/20					9,950	15,845				25,795		1,290
Lassen Electronics	0/8					4,000	14,809				18,809		2,351
Butte Reg.Dentl Ast.	0/40					18,000	5,000				23,000		575
Shasta/COS ADN	0/13					47,327	22,175				69,502		5,346
Shasta/Memorial ICU	0/43					32,809	100,521				133,330		3,101
Butte Farmworker	0/20					10,000	41,660		7,240		58,900		2,945
Yuba Farmworker	0/20					10,000	41,660		7,240		58,900		2,945
Plumas LVN II	10/5		24,734		2,510	17,358	9,296		1,004	27,244	27,658	2,724	5,532
Shasta Electronics	0/20					9,225	15,845				25,070		1,254
Yuba Electronics	0/20					9,225	15,845				25,070		1,254
NCHEC Administration	7/1/82 - 6/30/83									19,155	56,856		
	7/1/83 - 12/30/84									20,299	138,287		
Grand Totals			59,436	1,859	10,017	190,161	299,778		17,131	110,766	702,213	2,702	3,[illegible]6

Source: Photocopied from an NECHCE 1983 planning document (with permission).

South Hill, Virginia

Case Report by
Anthony J. DeLellis
Field Researcher

Synopsis

The Town of South Hill, Virginia undertook a major economic development program in order to create employment opportunities for the youth of the Town. The development program began with increasing the water and sewer capacity of the Town, and included the development of an industrial park, participation in the expansion of a regional airport, and other projects designed to create and retain jobs.

Collaboration with the local community college (Southside Community College/Christianna Campus) was a critical factor in attracting the Watkins Manufacturing Company to locate in the Town in that customized training was provided to potential Watkins employees. This was done at the request of Watkins and the Town of South Hill and in cooperation with Virginia's Division of Industrial Training and the Virginia Employment Commission.

The Problem

The problem was recognized prior to 1973-74, when efforts began for its amelioration. Simply stated, the problem was that youth were emigrating from the Town and not returning. The reason given was that there were too few employment opportunities to enable them to remain in the area as they entered the work force. The local Planning District Commission conducted a survey which allowed individuals to rate the Town regarding zoning, adequacy of water and sewer, restaurants, employment opportunities and other factors. The problem of the emigration of the youth was noted in this survey, according to the Town Manager.

Goals

The goal of the Town became to enable its youth to remain at home when they entered the workforce.

Broad Strategy

The solutions to the problem of the emigration of the youth were complex and not addressed by an overall major plan at the outset. Rather, the plan evolved as progress was made. Generally, the strategy was to create employment opportunities by attracting new industries to the Town and by enhancing the ability of existing industries to compete, thereby employing Town residents. The strategy did not include the creation of jobs exclusively for young people. Rather a broad based approach to job creation was undertaken.

It was recognized that in order to induce new industry to the Town and to enhance the quality of existing industries, the Town's infrastructure needed to be improved. Thus, in 1973 and 1974, a major effort was undertaken to improve the infrastructure. Since then, the following has taken place (in order of completion):

1. The water capacity was doubled.
2. A fire station was built.
3. The municipal airport with a 2,800 foot runway was replaced by a regional airport with a runway of 5,000 feet.
4. An industrial park was developed on the site of what had previously been the municipal runway.
5. A sewage treatment plant grant was obtained and plans made for development.

The Lake Country Development Corporation (publicly owned) was created with the assistance of the Planning District Commission. In addition, the South Hill Community Development Association was formed. The latter consists of two members of Town Council, two members of the Chamber of Commerce, and two members of the South Hill Industrial Development Corporation (South Hill Industrial Development Corporation is privately owned). The Community Development Association members are a merchant, a wholesaler, a medical doctor, a bank president, a plant manager, and president of the publishing company which publishes the local newspaper. The Town Manager and an Assistant Director serve as the staff to the Community Development Association. It is the Association which provides advice regarding the coordination of development and job creation efforts of the Town.

Interagency cooperation, formal and informal, was a didactic method employed throughout the South Hill effort. Several examples were cited to illustrate the extent and nature of the cooperation. These included shared support of the regional hospital and the financing of the regional airport, both of which required intergovernmental collaboration. In this regard, the Town Manager stated that the Planning District Commission provided a forum for the discussion of regional issues and was "a tremendous vehicle for federal funding of projects" related to the development of infrastructure. In addition, good relationships were noted with state government as regards the development of an industrial park and planning for the proposed sewage treatment plant.

Another aspect of interagency cooperation in South Hill is a function of both formal and informal linkages. For example, the Town Manager sits on the Board of the Community College, the President of the

Community College and a member of the Town Council are members of the local Private Industry Council, the South Hill Community Development Association is composed of Town Council members, members of the Chamber of Commerce, and members of the Industrial Development Corporation. The latter organizations have overlapping membership on still others. Thus, formal relationships exist among the network of agencies and organizations involved throughout the economic development and job creation efforts. Further, the importance of informal relationships is noted in the practice of the Town Manager of knowing, by first name, one or two individuals from each state agency dealing with South Hill. Regarding relationships between business and government, a number of illustrations were cited. These included assistance to the Watkins Manufacturing Company.

Role of Employment and Training Strategies in Job Creation and Retention

It may have been noted that the broad strategy did not focus on job training. This is because the goal of the undertaking was not job training, but enabling youth to remain in the Town as they entered the workforce. Thus, the strategy for accomplishing this goal was not job training, but the creation of job opportunities. As part of the effort to create job opportunities, however, it was noted that job training had a role to play. As prospective employers would look at South Hill as a potential site for their plant or business, many inducements would be offered by the Town. Among them were the availability of water and sewer facilities, the availability of a fire station, of a regional airport, of an industrial park, of an improved projected sewage treatment plant, and others. Further, there was the availability of job training for prospective employees. This inducement was said to have played a role in the decision of the Watkins Manufacturing Company to locate in South Hill. The critical nature of this capacity to provide trained employees was emphasized by the Town Manager. An illustration, noted by the Town Manager, was one in which a company elected to locate in North Carolina rather than in South Hill, and cited as one of its major reasons its perception of superior skill levels of potential employees in the area selected.

Regarding the Watkins Manufacturing Company, a company which builds truck bodies, the effort was made in 1979 and 1980 to have them locate in South Hill. One of the needs of the company was persons skilled in a particular type of welding process, MIG welding. The Company, Southside Community College and the Town collaborated in developing a training program that would provide potential employees who had such skills. In addition, assistance was solicited and received from the Virginia Employment Commission. The Community College and the Company collaborated in developing the curriculum; the Virginia Division of Industrial Training provided the hardware for the training program; the Community College provided the classroom space and the instructor; and fees, work materials and tuition were paid to the Community College by the Division of Industrial Training. The training consisted of 72 hours of instruction over a period of 5 months. It consisted of three major components:

1. Employee relations and job attitude;
2. Drafting and blueprint reading;
3. MIG welding.

Potential students were recruited for the program through advertisements placed in local newspapers by the Virginia Employment Commission and the Division of Industrial Training. The Virginia Employment Commission then screened the applicants and referred them to the college for training. The training lasted approximately five months. A spokesperson for the State Community College System indicated that 6 of these 25 people trained in the initial round were employed by Watkins Manufacturing Company.[1] A spokesperson from the college indicated that many others were hired elsewhere in the area. Further, since the initial round of training, the college has continued to provide instruction in MIG welding, and graduates of the subsequent programs have found employment with Watkins and other companies.

Key Agencies Involved and Their Roles

With the lead agency being the Office of Town Manager, Town of South Hill, there were several key collaborators:

1. Southside Planning District Commission provided a forum for the discussion of regional issues and was instrumental in obtaining federal funds for a variety of projects.
2. The Lake Country Development Corporation provided funds for various infrastructure undertakings.
3. Southside Community College/Christianna Campus provided customized instruction at the request of the Town and Watkins Manufacturing Company, and did so in cooperation with the state's Division of Industrial Training and the Virginia Employment Commission.
4. The South Hill Community Development Association provided advice on the coordination of the many efforts involved in the economic

development and job creation undertakings of the Town.

Further, four key federal agencies provided at least partial funding for the water system, the fire station, the regional airport, the industrial park, and for the proposed sewage treatment plant. In addition, the Lake Country Development Corporation has recently been certified by the Small Business Association, and this will provide an advantage to small businesses in South Hill applying for loans from the Small Business Association. The Lake Country Development Corporation is one of perhaps only two such corporations in the state which have been certified by the Small Business Association.

Outcomes and Success Criteria

1. Watkins Manufacturing was induced to locate in South Hill.
2. Potential employees were trained with new job skills in the initial round of training customized for Watkins .
3. Some of those trainees went to work for Watkins and many others found employment elsewhere.
4. The college had its capacity enhanced by the experience and continued to provide training to other individuals who later found employment as MIG welders at Watkins and in other firms.
5. A large number of jobs, beyond those at the Watkins Manufacturing Company, were created.

The Town Manager stated that the sole criterion for success was "strictly the numbers of jobs created." He estimated that since the Town began upgrading its facilities and providing inducements for companies to remain in the Town and to locate in the Town, 300 jobs had been retained which would have been lost otherwise and 500 jobs had been created. He cited illustrations in support of this. For example, Burlington Industries, a company which uses large amounts of water, would have to have left the area had not the water capacity been so radically increased. Further, the regional hospital, prior to its expansion, needed assurance of increased water and sewer capacity. The general upgrading program of the water and sewer systems made assurance possible. In addition, with the increase of jobs in the hospital and other industries, there was an accompanying increase and retention of commercial jobs (e.g. store clerks and other service personnel).

In addition to job creation and retention, other changes have taken place during the period of development. In illustration, the one Town park may be joined by another which will soon be developed; a theater group was developed, one which puts on four or five plays per year; a library was developed. This was done as a result of an individual renovating a building for the purpose of donating it as a library. Local funds and affiliation with the regional library system provide the collection. There is an intention to attempt to double the capacity of the reference section of the library and to include, as one of its functions, service to industries as well as to students and schools. These additional developments were certainly not part of the goal of the Town when it undertook its economic development program, nor was there any claim made that enhancing park facilities, development of a theater group, and the development of a library resulted from the economic development effort directly. Nevertheless, there may be reason to speculate that they were at least side effects of increased economic health in the Town.

Critical Steps in Implementation

The Town Manager described several milestones in the development of the strategy now functioning. The first of these was to *identify* *the problem.* As stated previously, the Planning District Commission was reported to have conducted a survey in which residents were encouraged to rate their Town on a number of variables. It was noted that youth emmigation was a paramount concern among the townspeople. This clarification of the problem was the first step toward a solution. The second milestone was the *recognition by Town Council and the Chamber of Commerce that the problem existed and that a solution should be sought.* The Town Manager recalled no resolutions nor official documents confirming exactly when these realizations were made; however, it took place sometime prior to the beginning of the Economic Development Program in 1973 and 1974. The third step was that *the Town went to the Planning District Commission for technical assistance in developing solutions to its problem and for locating and obtaining sources of funding for its solutions.* In this regard, the Planning District Commission acted as broker. The fourth milestone was the *development of plans for the solution.* As stated previously, no grand master plan was developed for the multi-year effort. Rather, plans evolved as progress was made.

Projections for the Future

In addition to future plans mentioned previously (i.e., increased sewage treatment capacity and increased capacity in the reference library), several new projects are envisioned. The first is to build more roads within the Town. This has implications for commercial employment as well as for industrial employment in that the Town serves as the commercial center of a region of approximately 50,000 people living in a 25 mile radius of the Town. Thus, easy access to the commercial center is expected to increase its economic health, help retain existing jobs, and provide a setting for the creation of additional jobs. This is to say that the building of roads is considered an integral part of the infrastructure plan.

Secondly, the existing industrial park has room for three more plants. It is the intention of the Town to find firms willing to locate there and to consider the acquisition of additional property for another industrial park.

Thirdly, improvement of the visibility and attractiveness of the downtown area is considered a long term goal which will help to strengthen the Town's commercial function for the region. As stated before, enhanced commercial function is believed to be directly related to job retention and creation in South Hill.

Finally, the decision of Narricot Industries Incorporated of Philadelphia to locate a plant in South Hill requires future planning regarding a variety of matters. Narricot has just completed the building of a 35,000 square foot facility in the Town's industrial park. It has stated its intention to begin operations with 60 employees, 10 of whom would be prior Narricot employees and 50 of whom would presumably be hired locally. There are expectations for eventual expansion to 300 employees. The company is involved in the manufacture of narrow fabric such as seatbelts and cables. Some discussion has resulted in the expectation that Southside Community College will be requested to provide training to employees; however, a spokesperson for the community college, although aware of this expectation and interested in future discussion, stated that no firm plans had been made at the time of the interview.

Advice to Those Facing Similar Problems

The advice provided by the primary spokesperson for this project, the Town Manager, was varied. He began with an admonition that in any such undertaking one needs to keep the active citizens involved so as to avoid what he referred to as "one person shows." Secondly, he indicated that one needs to keep up with national trends such as the location of jobs and the trend toward smaller scale manufacturing. He noted that the current trend is for plants of 100 to 150 people. Thirdly, he indicated that colleges have services which ought to be tapped by local community leaders. He cited training of employees as one service, but added that colleges could provide training also to the community leaders themselves.

He cited several elements which led to the relative success of the undertakings of the Town. These were the existence of and availability of the Community College, the easy access to two major highways, and learning from the example of North Carolina's image-building program. In the latter regard, he indicated that every area has certain unique qualities and that those qualities need to be exploited. He advised that people note the strengths of their communities and then let others know about them. A major part of the development of any town or rural area, he said, is in attending to the image of the area.

The Setting

The following data regarding South Hill and surrounding Mecklenburg County were obtained as the result of an August, 1983 telephone interview with a representative of the Virginia Department of Planning and Budget.[2] The exception to this is in regard to the unemployment rate. See the Notes for sources at the end of this case report.

• Total Population (South Hill)[2]:	4,347	
• Ethnicity (South Hill)[2]:	29% minority	71% majority
• Rate of High School Graduates, 25 Years of Age and Older (South Hill)[2]:	52.2%	
• Per Capita Income (South Hill)[2]:	6,158	
• Unemployment Rate (Mecklenburg County)[3]:	12.5%	
• Rural Population Percentage (Mecklenburg County)[2]:	75.9%	

In addition to the data above, additional insight was obtained from the interview with the Town Manager. The Town of South Hill is approximately 6 square miles. It is located within Mecklenburg County, Virginia, approximately 12 miles north of the North Carolina border; is adjacent to the intersection of I-85 and highway 58; is approximately 1 hour from the Raleigh-Durham Airport, and 1½ hours from Richmond, Virginia and its airport. The land surrounding the Town is fairly flat, with some gently rolling hills.

In order of the number of people employed, the major employment sources in the Town are the regional hospital, the textile industry, the furniture industry, truck body manufacturing, and commercial employment. The tax base is composed of commercial, industrial and residential taxes, with industrial taxes increasing in proportion to the others. There is no farm land within the Town limits but the Town is surrounded by farm land.

The Town Manager reported that unemployment in South Hill has historically been above the state and national averages. However, since the beginning of 1983, unemployment has tended to be below the national average. Youth and minorities are disproportionately unemployed; however, women generally are not disproportionately unemployed. Further, because the Town is in the midst of a tobacco farm area, employment patterns are consistent with the agricultural base. This is to say that there are periods of underemployment or part-time employment during the non-growing seasons. In addition, tourism in this part of the country, a summer phenomenon, provides substantial employment for residents of the Town. This is largely the result of waterfront recreational areas nearby (there is normally an abundance of water in the area). Approximately 90% of the workforce in Mecklenburg County are employed within the county boundaries, with some farmers residing in South Hill and commuting to their farms outside of Town.

The infrastructure was described previously in this report. The water capacity was recently doubled; the Town is adjacent to two very good highways; new roads within the Town are proposed; a regional airport, a fire station, and a railroad constitute other aspects of the infrastructure which are in place. There is no local public transportation for passengers, with the exception of taxi cabs.

The government was described by the Town Manager as philosophically conservative fiscally, but progressive regarding ideas on economic development. The type of government in South Hill is Council Manager, with the Town Manager serving at the will of Council.

The existence and availability of Southside Community College, approximately 15 minutes drive from the Town, were described as major assets to the Town. The general population was described as one which could be easily trained in industrial skills.

Contacts

The following individuals were interviewed for this research. (See other contributors in the Notes section of this case report.):

Morris Wells Town Manager Town of South Hill South Hill, Virginia	Charles Vaughn, Jr. Director of Instructional Services Southside Community College/ Christianna Campus Alberta, Virginia 23821

This project was characterized as one focusing on job creation and job retention, with some job upgrading. There was a substantial amount of intergovernmental cooperation, public/private cooperation and innovative problem solving. Efforts tended to be manufacturing oriented rather than service oriented or agriculturally oriented. In addition, although youth were the population to be served, the overall strategy did not focus directly on them. Rather, it addressed the issue of increased employment opportunity for all with the apparent assumption that increased employment opportunity for all would enable the youth to remain in South Hill when they entered the workforce. Job training was undertaken, not for its own sake, but to enhance the likelihood that job creation would take place. One training program at the local Community College was cited as an illustration of interagency and public/private cooperation.

Notes

[1] Telephone interview conducted by Anthony J. DeLellis, August, 1983. Person interviewed was Ed Morse, Virginia Community College System.

[2] Telephone interview conducted by Norman Aldridge, August, 1983. Person interviewed was Julie Henderson, Virginia Department of Planning and Budget, Richmond, Virginia.

[3] Richard D. Morrison (ed.), *Rural Virginia: A Data Based Overview for Human Resource Planners*, Richmond: Center for Public Affairs, Virginia Commonwealth University, May 12, 1983, p. 42.

CASE REPORTS RESULTING FROM TELEPHONE INTERVIEWS

These reports were compiled as a result of telephone interviews with seven programs serving West Virginia, Montana, Mississippi, North Carolina, California, Oregon and Washington. The first two cases feature job placement more than job creation, but the third case in this section is one in which a community based organization is responsible for establishing several manufacturing functions. The fourth case is a profit making venture located on a reservation and also features manufacturing. Of the final three cases discussed in this section, one is a consortium of county governments instrumental in creating jobs through new industry development. The next shows the relationship between a state government which markets locally produced products and one of the cooperatives producing them. The final case in this section is a large non-profit corporation which operates 70 employment and training related programs in two states.

Women and Employment. This is a non-profit corporation established to ensure the availability of training for women in non-traditional jobs. It has been in operation in Charleston, West Virginia since 1979 and serves the city plus the rural areas surrounding the city. Two general strategies were discussed. The first resulted in a method for finding and employing women in the construction industry. It consisted of monitoring the hiring practices of construction companies involved in projects funded by the U.S. Office of Housing and Urban Development. One such project, the only one in Charleston in 1979, was employing one woman on the construction site. Since then, additional projects have been initiated and the non-profit corporation filed a lawsuit against the city, and settled out of court when a compromise was reached regarding the procedure for ameliorating the problem of discrimination on the work sites. The procedure is as follows:

1. Contractors and subcontractors establish goals for minorities and women. When they notice that they have failed to meet their goals, they request that the local construction union refer to them qualified women and minority candidates.

2. If the union cannot provide qualified women and minority candidates, then the contractor, still not free of the obligation to pursue the goal, is free to seek qualified candidates elsewhere. Such searches typically include Women and Employment and other such organizations.

3. When qualified women and minority candidates are located, they are referred to the local union for a work permit. The union issues the work permit so that the contractor may hire the qualified women or minority individuals. Work permits are not the same as admission to the union, and do not necessarily result in other than limited OJT. Apprenticeship status is a separate issue. In some cases, the union may grant apprenticeship status, depending upon generalized local need.

When asked how many women had been placed on work sites by Women and Employment since 1979, the person interviewed indicated that the organization did not have a placement function; however, it was able to account for the hiring onto construction sites of five women. Further, since the out of court settlement had taken place, a total of 25 to 30 women had been employed on construction sites. It was noted also, that this dramatic increase in women employed in construction was very likely the result of the intervention of Women and Employment. This, because no other institutional changes were discernible. Funding for the project came from the National Episcopal Church United Thank Offering, plus gifts from other churches and grants from the Ms. Foundation and the Youth Project.

The Ford Foundation has recently funded the organization to provide technical assistance to other women's advocacy groups in West Virginia. They are to share the intervention strategy which was successful in enabling women to work in federally funded construction projects in Charleston. Further, there is an additional strategy being undertaken by Women and Employment, one which focuses on the role of women in rural economic development planning.

Roane and Calhoun counties have as their major employer a state hospital. It has been announced that funding for the hospital will be reduced to the extent that it will close at the end of next year, creating a substantial unemployment problem in an area already in difficulty. Women and Employment, through a grant from the Ford Foundation, will provide technical assistance to women in the area in question so as to aid them in becoming involved in the process of planning to address the pending unemployment problem. Thus, they will develop expertise in examining both industrial development models and expanded agricultural models of economic development. Further, they intend to ensure that women receive equitable treatment in any jobs which are created to replace those being lost. This project is very new, but is noted to point out the variations in strategies pursued by this advocacy body.

The people interviewed were:

Chris Weiss
Director
Women & Employment, Inc.
1217 Lee Street
Charleston, WV 25301

Linda Holup
Project Director
Rural Economic Development
Women & Employment, Inc.
1217 Lee Street
Charleston, WV 25301

Project Challenge: Work Again. This project is designed to assist dislocated workers in self-directed job search. It is conducted by the local AFL/CIO with funds from CETA Title IIB and IIC.* The success rate is described as over 70 percent placement. This has been accomplished in a setting in which unemployment is 10.3 percent. The services rendered to dislocated workers include classroom training and employer-based training, generally OJT. However, those trainees who are certain about their vocational directions may opt for a maximum of 90 days of classroom vocational training in selected areas. In addition, individual programs for individual trainees may be arranged with private tutors. In all cases, training programs are tailored to meet employer needs.

The project covers the entire state of Montana, with home office in Helena. There are four site offices, each office serving 25 trainees per quarter, for a total of 400 per year (it was noted that one of the site offices had a 100 percent placement rate during the last quarter). Of the four offices, only one is located within a Standard Metropolitan Statistical Area (SMSA). Thus, this is a program which appears to have accommodated to both metropolitan and rural areas. It may also be notable that although a labor union is the deliverer of services, union affiliation is not a prerequisite for trainees. Less than half of the trainees have a history of union affiliation. One additional feature of this project is in the apparent preference of the project leaders for small businesses rather than large businesses. This was explained as a way of stabilizing the employment of the trainees in light of the cyclical nature of Montana economy. The population served was described as largely middle-aged, white males.

The person interviewed was:

Pat Hayes, Director
Project Challenge: Work Again
P.O. Box 1176
Helena, MT 59624

(*Beginning October 1, 1983, Project Challenge will be funded by Title III of the Job Training Partnership Act.)

Mississippi Action for Community Education, Inc. This 16 year old community action organization has been instrumental in the creation of numerous jobs. The primary mechanism for this has been the establishment of its sister corporation, the Delta Foundation, a non-profit economic development corporation which has initiated several manufacturing enterprises. These include those which manufacture blue jeans for the J. C. Penney Company, attic fans, attic stairs, relay switches, and replacement bicycle wheels. Approximately 250 people are employed in these endeavors. In addition, the Delta Foundation employs approximately 550 people in programs which range from a farmers buying cooperative to a credit union to programs in literacy. Training for each job creation effort is tailored for each program, and the farming related training might be described more as upgrading than as entry level.

It was reported that funding is generated from the sale of goods and services, from foundation grants, and from various state and federal sources. It was noted, however, that dependency on federal sources had declined since 1980 and was not expected to resume.

The area served consists of 14 delta and adjacent hill counties. It is largely agricultural, with cotton, soybeans, and rice as the primary crops. Approximately 250,000 people reside in this vast area, approximately 60 percent of whom are black and approximately one-half of whom are below the poverty level.

The people interviewed were Malcolm Walls, Director of Public Relations and Larry Farmer, Director of Training and Community Development, both of:

Mississippi Action for Community Education
121 S. Harvey Street
Greenville, MS 38701

Blackfeet Indian Writing Company. This for-profit corporation produces pens, pencils and markers at the rate of 100,000 per day and employing 108 people when in full capacity. Currently, 62 people are employed. Last year the company grossed $5.2 million in contrast to $52,000 gross when the company began in 1972. It was noted by the person interviewed that the efficiency of the company had risen substantially in order to maintain its place in the competitive market. This was illustrated by the observation that in 1972, when the annual gross was $52,000, there were 210 people employed. The ability to produce more revenue with less people was attributed to increased technology and increased skill on the part of each employee. The plant is located on the Blackfeet Indian Reservation in Browning, Montana and is run by a board of directors which includes two company employees, three tribal council members, and three financial investors. All but four of the employees of the company are Native Americans from the following tribes: Assiniboine, Crow, Flathead, and one Oklahoma tribe.

There appears to be a loose affiliation between the Blackfeet Indian Writing Company and the Blackfeet Tribal Business Council. The latter is involved in providing direct employment and training services to members of the reservation, and from October 1, 1982 to the present had made 35 permanent placements. There is 65 to 80 percent unemployment on the reservation, which reservation encompasses the entire Blackfeet nation of 2,600 square miles. There are approximately 7,000 people residing on the reservation, about 1/3 of whom are eligible for training under U.S. Department of Labor regulations. It was noted that the Council is budgeted for 300 training slots, several of which are used to prepare employees to work in the Blackfeet Indian Writing Company.

Persons interviewed were:

Tom McKay
Assistant Manager and
Member of the Board
of Directors
Blackfeet Indian Writing Co.
Blackfeet Industrial Park
Browning, MT 59417

Mike McKay
Manpower Director
Blackfeet Tribe
Browning, MT 59417

Neuse River Council of Governments. This public authority, a planning and development agency, serves nine counties in North Carolina (Carteret, Craven, Duplin, Greene, Jones, Lenoir, Onslow, Panlico, Wayne), in which reside approximately one-half million people. Tobacco, lumber and wood products, and other agricultural products, in addition to three large military installations, comprise the economic base of the area. The agency is funded through a variety of sources including the State Private Industry Council (grant ending on September 30, 1983), an employment generating services grant by the state, and other Department of Labor funds. In addition, it charges a fee of 1½% for preparing loan packaging applications. One of its projects was to establish the Neuse River Development Authority, a non-profit development corporation with the task of attracting new industry to the area through promoting Targeted Job Tax Credits, the availability of CETA OJT, and other services. Recently, the Authority attracted the Carolina Pottery Company, a company which will hire between 75 and 100 people initially and projects ultimately hiring between 200 and 300 people. It is proposed that the Employment Security Commission will advertise the availability of jobs and that the Commission and the company will screen applicants jointly. Successful applicants will then be referred to appropriate training programs, many of which programs will have been developed jointly by training institutions and the company. This project is very new in that the Carolina Pottery Company opened in June, 1983; however, this is but one of the long-standing efforts of the Neuse River Council of Governments.

The person interviewed was:

Roy Fogle
Executive Director of the Neuse
River Council of Governments and
Executive Director of the Neuse River
Development Authority
P.O. Box 1717
New Bern, NC 28560

State Department of Culture and History, Marketing and the Cabin Creek Quilt Cooperative. This state-wide program markets the products of many rural cooperatives and those of individual crafts persons, and is a non-profit corporation staffed by state employees. The non-profit status was considered critical to the ability of the program to buy and sell products without being encumbered by state purchasing requirements.

A few of the major cooperatives noted above are the Appalachian Craftsmen, Cabin Creek Quilts, and Rural Arts and Crafts. Products produced by these and other cooperatives are made largely in the homes of the individual employed, and it was estimated that approximately 1,000 individuals were involved. There were a variety of marketing strategies employed by the non-profit corporation at the state level. These included direct purchase and retail sale and the brokering of sales between buyers and the cooperatives. It was noted also that the products of the cooperatives could be purchased by mail order, in state park gift shops, and at the most exclusive department stores on the East Coast and West Coast. The state agency provides assistance in product development, pricing and other aspects of marketing.

Field workers employed by the cooperatives travel to the homes of the women who make the products (it was stated that most were women). Training is sometimes performed by the field workers and sometimes by women who are members of the cooperatives. The three cooperatives range in age from 13 years to 20 years. The products they produce are varied, but quilts tend to be the major product.

A representative of the Cabin Creek Quilt Cooperative, one of the three cooperatives noted above, was interviewed. It was learned that approximately 80 people are currently employed and that, generally, 100 people are employed during the winter months. Gross sales have tended to be slightly less than $500,000 annually; however, sales last year were at approximately $345,000. The cooperative has been in existence since 1970, and has traditionally served seven counties in central West Virginia. Quilt makers receive their training in one of two general ways, and the most popular way is for an individual to receive instruction from other quilt makers, often family members. The other method of instruction is in the form of periodic workshops provided by the cooperative. It was noted that additional quilting classes are provided to the general public and to tourists.

The people interviewed were:

Rebecca Stelling
Marketing Coordinator
Marketing Division
State Department of Culture
and History
Capital Complex
Charleston, WV 25305

Brenda DeBord
Director
Cabin Creek Quilts
Cooperative
P.O. Box 383
Cabin Creek, WV 25035

California Human Development Corporation. This non-profit corporation serves 28 counties in California north of San Francisco plus all of Oregon and Washington. It currently has 70 employment and training related contracts, the largest of which is a migrant and seasonal farm worker project. Also, the corporation has four criminal justice related programs, including Athena House which serves women as an alternative to an honor farm. In early stages of development are a wholesale bakery, a phone answering service, an electrical sub-assembly plant, and other job creation efforts. Additional programs include those which feature initial training as well as agricultural upgrading. One of the latter, for example, teaches fruit pickers to become assistant managers.

The rural area served is diverse and serves a broad range of populations. The corporation is approximately 16 years old, has a current annual budget of $12,000,000, and has a placement rate of between 85 and 90 percent over the 16 years. One of the principles of operation noted by the person interviewed was that all human services rendered by the corporation, regardless of the nature of such services, must lead to unsubsidized employment. It was noted also, that funding is very diverse and that, for many of the newly established economic development efforts, there is a tendency to avoid federal sources of venture capital.

The person interviewed was:

Larry Murphy
Director of Program Development
California Human Development Corporation
P.O. Box 10
Windsor, CA 95492

CLOSING COMMENTS

This research was not designed to uncover national trends, rank program performance nor do other than identify and describe successful rural employment and training programs. Nevertheless, there were a number of issues and program qualities noted during the course of research which may warrant discussion. Some of the program qualities noted were:

- Leadership
- Inter-organizational Cooperation
- Availability of Venture Capital

In addition, the following issues emerged:

- Labor Intensive vs. Technological Intensive
- Large Scale vs. Small Scale
- Courting the Establishment of New Industries from the Outside vs. Creating New Industries Locally and Enhancing Existing Local Industries
- Service Industries vs. Manufacturing Industries
- Service to Chronically Unemployed vs. Service to Recently Unemployed Who Have Good Work Records

There was no attempt made during the course of this research to measure any of the qualities or test any of the issues listed above. Nevertheless, the observations made informally are offered for consideration. It was noticed that enthusiastic and risk taking leadership appeared to be a frequent quality in the development of successful programs. In no case was there a contact made with any of the programs described in this report in which the enthusiasm of at least one key actor was not apparent.

Inter-organizational cooperation was another factor which was apparent among the programs studied. For most of them, cooperation and collaboration were a way of life, not just occasional strategies.

Venture capital was essential to all of the efforts studied. In some cases, it came as a function of state or federal or foundation grants. In others, the venture capital resulted from the sale of goods or services to public or private sectors. In some cases the financial backing was substantial and long range, while in others it was piecemeal. It was noted also, that there appeared to be an attempt to balance funding in some of the organizations observed. While public funds were still important to most, there was a tendency among a few to be diverse in their funding base so as to avoid over-dependence on any particular source.

In addition to noticing that certain factors appeared to be present in a number of the projects observed, several issues were noted as well. When listing the issues, they were described as opposing points of view on the same topic. Of course, when making policy or program decisions it is not necessary to select one and totally exclude the other. Compromises are possible and perhaps, depending on local circumstances, desirable. They are posed here as opposite points of view only to draw attention to the options.

Among the issues encountered was that of whether to develop industries which required high levels of labor or those with high levels of technology. Some of the trade-offs may be that the high labor intensive jobs might tend to be those which pay poorly, but may employ a great many people. On the other hand, the high technology jobs may tend to pay better, but may employ fewer people and require higher capital outlays. Of course, the latter may also result in production which is more competitive in the long run.

The question of scale arose. It was stated by one person interviewed that the tendency was toward small scale enterprises. This was borne out by the action of some others; however, all of the programs were obviously not small scale operations, and it appears that no general rule emerged, unless it was that one's growth should not outpace one's capacity.

Whether or not an area should attempt to bring in new industries from the outside or create or enhance local industries was an issue apparent in the work of many. There appeared to be success in both approaches; yet, the probability of attracting a new large industry appears to be more limited in the future than the probability of creating small local ones.

The issue of service vs. manufacturing as a source of jobs is not as clear a question as some of the others. It would appear, however, that areas which can employ people who are involved in the production of blue jeans, wood pallets, or other such items can employ those involved in other economic endeavors. Among these might be the operation of a mail order house or, as we have seen, a media production center. The question is not so much what is produced but whether the local setting is appropriate and if there is a market.

Job training programs and revenue generating programs are not always compatible. In the cases observed, profit or breaking even was not always attained. In some, of course, it was not even an issue. Nevertheless, in an economic environment which demands that programs for training be as efficient as possible, other issues emerge. Should trainees be those most prepared to profit from the job training or job creation program or those in most need of training and least likely to profit from it quickly? Would not the trainee with the good work record be a better choice for inclusion in a program designed to help pay for itself through production? On the other hand, is not the spirit of job training intervention one which should embrace those with poor work records? There was no poll taken of those interviewed in this research to learn their opinions on this issue; however, it may be that job training and job creating programs which are designed to be self-sustaining through the sale of goods and services are not likely to be successful when the trainees are exclusively the hard core unemployed. The issues here are economic, political and philosophical, and the space allowed cannot do justice to them. Yet, it may be asserted that it is necessary to accommodate the need to be efficient to the need to train people from all segments of the society, including the chronically unemployed.

In noting the qualities of risk taking leadership and inter-organizational cooperation, and in citing the existence of venture capital, there was no implication that they constituted a total list of the qualities of a successful employment and training program. Correspondingly, the list of issues which emerged since the beginning of the Rural Success Program were not proffered as the ultimate issues, nor even as those issues relevant to all of the programs examined in this research. Rather, the qualities and issues noted were pointed out in the humble belief that further examination may be of value to those attempting to establish or enhance job training and/or job creation programs.

In regard to the various strategies for job creation and training which were discovered, it may be concluded that there appears to be no best way. Instead, the imagination, energy, expertise and persistence of those in positions of responsibility, seemed to prevail over the selection of any single choice of strategy. In some programs, training was the focus; in others, it appeared to be a means to an end; some approached it in a structured and formal manner while others treated it very informally. Even in the process of planning strategies, there appeared to be a great deal of variation. For example, it may be recalled that some of the programs did not develop formal long-range plans until well into their history.

What made for success, in addition to risk taking leadership and venture capital, is not necessarily a universal set of factors. On the other hand, there may be some additional insight gained by examining the advice given by those interviewed on-site. Clearly, the admonitions were as varied as the programs themselves; yet, some patterns appeared.

It was stated by some that there should be an avoidance of over dependency on any single source of revenue. Others stated or implied that it was important to become expert at a few things rather than trying to accomplish everything. This was not to say that expansion of activity could not take place, but that it should not be faster than the organization's capacity could sustain. It was illustrated or stated many times that inter-organizational cooperation was critical. Thus, there were no new management secrets discovered in this research, but there were, however, a number of good ideas explored, many of which can work, at least in part, in a broad range of settings.

The days when planners and practitioners attempted to transplant programs intact from one place to another are, hopefully, gone. Instead, it is hoped that those with responsibility for leadership in job training and job creation will note the settings in which other programs took place, note the qualities about which they are most interested, and involve other organizations in planning and implementing customized solutions to their employment and training problems.

THE RESEARCH TEAM

Norman L. Auldridge, Executive Director, Northern Neck (Virginia) Planning District Commission, served as research assistant to the project and provided much of the U.S. Census data used in describing the settings in which the successful projects were located.

Jim Binder, Consultant, Contributing Editor of *Nursing Economics*, and part-time faculty in Political Science at the University of Nevada at Reno, served the project as Field Researcher.

Susan B. Crow, Staff Member, Virginia Commonwealth University (Center for Public Affairs), served the project in a variety of ways, including as research assistant in conducting telephone interviews during the process of locating successful programs.

Anthony J. DeLellis, Consultant in Organizational Strategies, served the project as Primary Research Consultant and as Contributing Editor of this report.

Joseph W. McGreal, Consultant in Social Policy, served the project as Field Researcher.

Arneada Bray Russell, Consultant in Administrative Operations, served the project as Field Researcher

Copies Available

This report is one of three produced by the Rural Success program in 1983. The three are:

Susan B. Crow and Arneada Bray Russell (eds.), Selected Technical Assistance Resource Agencies and An Annotated Bibliography for Rural Employment and Training Practitioners in Virginia, Richmond: Center for Public Affairs, Virginia Commonwealth University, September, 1983.

Anthony J. DeLellis (ed.), Rural Success: Case Studies of Successful Employment and Training Programs in the United States, Richmond: Center for Public Affairs, Virginia Commonwealth University, September, 1983.

Richard D. Morrison (ed.), Rural Virginia: A Data Based Overview for Human Resource Planners, Richmond: Center for Public Affairs, Virginia Commonwealth University, May, 1983.

Copies of these and other reports may be purchased from Virginia Commonwealth University by contacting:

Ralph Hambrick, Director
Center for Public Affairs
Virginia Commonwealth University
919 W. Franklin Street
Richmond, VA 23284
(804) 257-1521